

**THE FUTURE OF FEMA'S GRANT PROGRAMS
DIRECTORATE**

HEARING
BEFORE THE
SUBCOMMITTEE ON EMERGENCY
COMMUNICATIONS,
PREPAREDNESS, AND RESPONSE
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THE FUTURE OF FEMA'S GRANT PROGRAMS DIRECTORATE

Tuesday, June 29, 2010

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS,
PREPAREDNESS, AND RESPONSE,
Washington, DC.

The subcommittee met, pursuant to call, at 10:00 a.m., in Room 311, Cannon House Office Building, Hon. Laura Richardson [Chairwoman of the subcommittee] presiding.

Present: Representatives Richardson, Cuellar, Pascrell, Cleaver, Rogers, and McCaul.

Also present: Representative Austria.

Ms. RICHARDSON. The Subcommittee on Emergency Communications, Preparedness, and Response will come to order.

The subcommittee is meeting today to receive testimony on "The Future of FEMA's Grant Programs Directorate."

I will now recognize myself for an opening statement.

Good morning. I want to welcome our panel of witnesses and thank them for testifying on today's topic.

GPD, also known as the Grant Programs Directorate, is now the Department's one-stop shop for administering more than \$4 billion annually in homeland security and emergency management grants. GPD plays a vital role in helping our State and local partners build the capabilities necessary to prepare for, protect against, and respond to, and recover from acts of terrorism and other disasters.

We are especially looking forward today to hearing from GPD's new assistant administrator, Ms. Elizabeth Harman, about her priorities for the office. Ms. Harman has inherited several significant management challenges at GPD, including high turnover and low morale.

These challenges have been made more complex by Administrator Fugate's focus on empowering the FEMA regions. I remain supportive of giving the regions greater operational responsibility when responding to disasters. However, FEMA officials in the field are much better equipped to respond to those situations than we are.

However, non-disaster grant management is a uniquely different function than a disaster response. It is not clear to me how handing control over the grants to the regions will improve FEMA's grant management function. Adding FEMA regions to the mix of actors threatens to overly complicate critical infrastructure grant programs.

Finally, Congress created GPD in part to ensure that DHS—and excuse all these acronyms, to people who might be here for the first time—was consistently applying its grants policies and rules. It will be very difficult for 10 FEMA regions to consistently interpret grant policies. Accordingly, there is a central question that we hope Ms. Harman will address this morning: What problem is FEMA trying to solve by decentralizing the grant management programs to the regions?

Beyond the questions of regionalization, we want to hear from all witnesses their ideas for improving homeland security grant programs. The inspector general recently issued a report where he identified legislative, interagency, and State-level barriers that impede maximizing the value of DHS grants. We would like to understand how FEMA is addressing the IG's recommendations and learn more about what impediments this subcommittee ought to consider.

One grant challenge, that has recently been renewed and has gotten a lot of attention, has to do with spending the grant awards. For example, almost 50 percent of the fiscal year 2007 homeland security grant program—funds have not been spent. That number jumps to 78 percent for port security grants, which is of great concern to me in my district. That is an astonishing number when you consider the massive security needs at our Nation's ports.

In my district in California, the ports of Long Beach and Los Angeles handle 30 percent of the entire Nation's shipping imports. The economic impact of a nuclear attack on the Port of Long Beach could initially exceed \$1 trillion. Therefore, it is vital that we have the funds to put the necessary security in place.

There are many reasons for these draw-down numbers, some of which the GPD can control and others that simply reflect the time it takes State and locals to move through the grant lifecycle. Nevertheless, the fact still remains: When Federal dollars are not being spent to fill critical security gaps, our communities—Americans—remain vulnerable.

I am very pleased to see Chief Patalano, from my district in Long Beach, here with us today to speak on these issues. As fire chief, you know first-hand the importance of these grants and what they do for the city of Long Beach, so I look forward to your testimony.

I would also like to welcome Ms. Tierney from Philadelphia, who I know brings a wealth of knowledge to emergency management.

I invite you both to tell us where the grant process can be improved and how we can cut through the red tape so that our first responders have the resources they need.

In conclusion, the subcommittee's underlying goal this morning is to help FEMA improve the management of its grant programs. The Congress, FEMA, and grantees all have a role to play in reaching this goal, and I look forward to a productive dialogue with all the witnesses this morning.

The Chairwoman now recognizes the Ranking Member of the subcommittee, the gentleman from Alabama, Mr. Rogers, for an opening statement.

Mr. ROGERS. Thank you, Madam Chairwoman. Thank you for calling this hearing.

I want to thank the witnesses for being here and taking the time to prepare for it. I know it is inconvenient, but it is very helpful to us to be able to draw on your expertise, so thank you for your time and commitment.

This hearing is being held to look at FEMA's Grant Programs Directorate and the overall efficacy of the Department of Homeland Security's grant programs. This is the first time that Ms. Harman has testified before the committee since she became the new assistant administrator for grants at FEMA. I want to welcome her and thank her for her service, both in her current capacity and as a former firefighter and paramedic.

DHS grants are essential to increasing our Nation's level of preparedness, and we must ensure that these programs are managed in an effective manner.

I would first like to commend FEMA for the outreach they do with the State and local recipients of preparedness grants. Gathering insight and recommendations from States and localities is critical in helping GPD become more effective as the 3-year-old directorate continues to evolve. I encourage FEMA to continue emphasizing that level of stakeholder outreach.

While FEMA has made progress in certain areas, the agency needs to improve its ability to manage the grant application and review process, conduct oversight of awards, and measure the effectiveness of grants in bolstering preparedness and response capabilities across the Nation.

I am concerned that FEMA has still not developed tools to measure the Nation's overall preparedness or assess the achievement and effectiveness of its grant programs, especially since the Post-Katrina Emergency Management Reform Act of 2006 and the 9/11 Act, both of which required such performance metrics to be developed. While we recognize that it is not a simple task, developing these metrics is crucial to assessing the impact that these programs are having in protecting local communities.

In addition, there seems to be a lack of clear vision as to how to integrate FEMA grant management with the recent push toward regionalization. Even with grant management functions largely centralized at headquarters, FEMA has not always evenly applied grant policies. Without a strong implementation plan and adequate resources, the continued delegation of responsibility to FEMA's 10 regional offices could lead to inconsistency in grant policies as well as a strain on resources in the regions as they try to carry out their normal duties.

Last, I am concerned about the amount of time it takes for FEMA to conduct reviews and release funds under certain grant programs once those funds have been awarded. A 2009 GAO report found that mass transit security grant dollars were unavailable for up to a year or more, in some cases, after they have been awarded due to TSA and FEMA's internal review processes. These delays are unacceptable. I am interested in looking at what steps can be taken to address these funding delays and mitigate the impact to State and local communities.

I want to thank our witnesses again.

Madam Chairwoman, if you don't mind, I would like to ask unanimous consent that Congressman Austria be able to sit with us on the panel and question the witnesses.

Ms. RICHARDSON. Without objection.

Mr. ROGERS. Thank you.

With that, I would yield back.

Ms. RICHARDSON. Other Members of the subcommittee are reminded that, under committee rules, opening statements may be submitted for the record.

I welcome our panel of witnesses today.

I want to let you know that at approximately 10:30 we might have votes. If we all do a good job, hopefully we can get through your initial statements. Upon our return after votes, we can go into questions and hopefully minimize your time today.

Our first witness is the Honorable Elizabeth Harman, assistant administrator for the Grant Programs Directorate. Her job consists of overseeing the management of more than 50 grant and financial assistance programs and representing approximately \$4 billion in non-disaster grant funding annually. Ms. Harman comes to FEMA with over 20 years of experience in the emergency management community and it is my belief that her appointment was supported by both our Ranking Member and Chair.

Our second witness, Ms. Anne Richards, is the assistant inspector general for audits at the Department of Homeland Security. Previously, Ms. Richards was the assistant inspector general for audits at the Department of the Interior and spent 5 years as the regional audit manager for the Central Region office, located in Denver, from 1984 to 1999, where Ms. Richards also served in a number of positions with the U.S. Army Audit Agency.

Our third witness, Chief Alan Patalano, is the fire chief of Long Beach Fire Department in Long Beach, California. Our chief served as the deputy chief for the past 8 years and has worked with the city of Long Beach for more than 20 years. He is a member of Los Angeles/Long Beach UASI Working Group, which develops projects and allocates homeland security grant funds to area agencies in support of regional domestic preparedness and, may I add, that the program is in Tier 1 in some of the most critical risk assessment areas.

Our final witness, Ms. MaryAnn Tierney, is the deputy managing director for the Office of Emergency Management in the city of Philadelphia. Since coming to Philadelphia in 2006, Ms. Tierney has overseen a transformation of the city's emergency preparedness program, focusing on developing operational and emergency plans, conducting training and exercises, and building partnerships with the community. Ms. Tierney spent over 7 years with the New York City Office of Emergency Management and has extensive experience coordinating large, complex emergency response operations.

We are pleased to have all of you present with us today and greatly appreciate your testimony.

Without objection, the witnesses' full statements will be inserted into the record.

I now ask each witness to summarize his or her statement for 5 minutes, beginning with Ms. Harman.

STATEMENT OF ELIZABETH M. HARMAN, ASSISTANT ADMINISTRATOR, GRANT PROGRAMS DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

Ms. HARMAN. Thank you.

Chairwoman Richardson, Ranking Member Rogers, and Members of the committee, my name is Elizabeth Harman, and I serve as the assistant administrator for the Federal Emergency Management Agency's Grant Programs Directorate, or GPD. On behalf of Administrator Fugate, it is a privilege to appear before you today.

Madam Chairwoman, I have served as GPD's assistant administrator since March 2010. I have spent much of these last several months becoming better acquainted with GPD, with its people, and how it works on a day-to-day basis.

GPD's role is one of great responsibility. Its mission is to ensure that, through strategic use of Federal funding, our Nation is well-prepared to respond to and mitigate all-hazard events. Moreover, GPD must ensure that FEMA's grant programs are administered responsibly, economically, and that each grant dollar improves our Nation's capabilities and provides a strong return on our investment.

The Post-Katrina Emergency Management Reform Act centralized most of the Department of Homeland Security's grant programs under GPD's administration and oversight. This centralization allowed for a more integrated, coordinated, and transparent system of grant management.

As part of this transition, FEMA continues to build the capacity to administer a new, different, and much larger grant portfolio program. This includes improving our systems for collecting and managing and reporting data, improving how we operate on a daily basis, including a thorough review of our most basic functions, such as program and financial monitoring, and maintaining a highly skilled, motivated, and dedicated staff.

Since March, I have reviewed our processes, our operating procedures, and how GPD staff interacts internally and externally with our State and local partners and stakeholders. The goal is to ensure that GPD grant administration procedures are effective and responsible.

While we are still in the preliminary phases of this review, I believe that, with the support we have from FEMA and DHS leadership, we can greatly improve our grant process. As part of our efforts to improve GPD, we must ensure that we have the capabilities in place to help us succeed.

One of our most valuable assets is an exceptional staff. While decreased staffing levels in recent months has been a challenge, we are moving quickly to meet GPD's staffing requirements. Within the first 2 months of my appointment here at GPD, 98 percent of our vacancies were announced. We fully expect to have all vacant positions filled within the coming months.

Another critical component of GPD's success is its ability to ensure that Federal grant dollars have been accounted for and that those grant dollars are meeting critical security needs across the country. We at FEMA and DHS are committed to doing this and

are working closely with the Preparedness Task Force created by the DHS fiscal year 2010 Appropriations Act.

We are also exploring new ways and systems to manage and report data we collect from grantees. We are committed to creating a more efficient and accurate system of collecting and reporting information. We are currently discussing system requirements and are in the process of determining funding needs and timelines for implementation.

Last, GPD must be able to carry out this mission within a new and evolving FEMA structure. Administrator Fugate strongly believes that emergency management organizations are most responsive and effective when the authority to make operational decisions is delegated to those command levels in the field with boots on the ground.

FEMA is putting in place the structure in which headquarters is responsible for the rules and tools of programs we manage, while the regions are becoming increasingly responsible for implementing these programs in the field. The responsibility of headquarters is to prescribe and develop systems in support of our National policy. Personnel in the region's field are responsible for the actual policy implementation as well as preparing for, responding to, recovering from, and mitigating all hazards.

I recognize there has been much discussion over the impact of empowering the regions as part of our strategy. Grant regionalization is in an early stage; it is a work in progress. We are currently assessing how FEMA grant programs will be structured and administered and how accompanying roles and responsibilities will be defined. Those determinations will be made on a careful study of each grant program's requirements after we have a clear understanding of the benefits derived from having the program administered by the regions.

In fiscal year 2010, FEMA assigned full responsibility for the implementation of six homeland security grant programs to the regions. Since moving these six programs to the regions, FEMA has provided the opportunity to step back and assess the regionalization of these programs, study the grant process and the various parts of the grant cycle, and to better understand how roles and responsibilities may best be shared between headquarters and regional staff.

This has provided the opportunity for detailed discussions between headquarters and regional staff to better understand the opportunities for improvement, establish corrective actions, and identify best practices. I cannot emphasize enough how critical the inclusion of our State and local partners will be in our examination of regionalization and regional empowerment.

Our decisions on regionalization will be driven by the same key concerns that drive all FEMA and GPD decisions: How do we better prepare our Nation for a natural disaster or terrorist attack?

In conclusion, I would like to add a personal note. As a former volunteer and paid firefighter and paramedic, I have seen firsthand how these homeland security grants are being spent. I understand how important Federal funding is for preparing our communities, building capabilities at the local level, and ensuring the safety of our citizens and of our first responders.

My experience as a first responder gives me insight into the importance of including frontline responders of all disciplines into the design and planning of these grant programs. I am committed to the inclusion of our stakeholders in decision-making. The transparency of our processes and our ability to work closely with our State and local partners is critical to the success of GPD's mission.

Madam Chairwoman, this concludes my statement. I am happy to respond to any questions that you may have, Congressman Rogers, and any other Members as well. Thank you very much.

[The statement of Ms. Harman follows:]

PREPARED STATEMENT OF ELIZABETH M. HARMAN

JUNE 29, 2010

Chairwoman Richardson, Ranking Member Rogers, and Members of the committee, my name is Elizabeth Harman and I serve as the assistant administrator for the Federal Emergency Management Agency's (FEMA) Grant Programs Directorate (GPD). On behalf of Administrator Craig Fugate, it is a privilege to appear before you today to discuss GPD's present and its future.

Madam Chairwoman, I have served as GPD's assistant administrator since March 2010. I have spent much of these last several months becoming better acquainted with GPD, with its people and how it works on a day-to-day basis.

GPD's role is one of great responsibility. Its mission is to ensure that through the strategic use of Federal funding, our Nation is well prepared to respond to and mitigate all-hazards. Moreover, GPD must ensure that FEMA's grant programs are administered responsibly and economically, and that each grant dollar improves our Nation's capabilities and provides a strong return on our investment.

The Post Katrina Emergency Management Reform Act (PKEMRA) centralized most of the Department of Homeland Security's (DHS) grant programs under GPD's administration and oversight, allowing for a more integrated and coordinated system of grant management. Under PKEMRA, GPD became the one-stop-shop for grants management, providing credible leadership of FEMA's grant programs, a more transparent processes, and collaborative partnerships with our stakeholders. GPD currently administers 52 distinct disaster and non-disaster grant programs. Each year, we award between 6,000 and 7,000 individual grants, totaling \$7 to \$10 billion each year.

FEMA is continuing to build capacity as we administer a new, different, and much larger portfolio of grant programs. This includes improving our systems for collecting, managing, and reporting data, improving how we operate on a daily basis—including a thorough review of our most basic functions such as program and financial monitoring—and maintaining a highly skilled, motivated, and dedicated staff.

Also critical to GPD's ability to achieve its mission is being able to show how each grant dollar improves our Nation's capabilities and provides a strong return on our investment. We must work with our partners at the State and local level to provide both the outputs and outcomes of grants, underscoring how our investments are increasing preparedness.

Lastly Madam Chairwoman, GPD must be able to carry out this mission within a new and evolving FEMA structure. This new structure, a key goal of Administrator Fugate, will not just empower the FEMA Regions, but more actively involve them in the day-to-day administration of FEMA's programs.

These then, are the four key principles for GPD:

- (1) To administer FEMA's grant programs responsibly and economically.
- (2) To build and sustain the internal capabilities to ensure success.
- (3) To show how each grant dollar improves our Nation's capabilities and provides a strong return on our investment.
- (4) To carry out our mission within a new and evolving FEMA structure.

Since March, I have dedicated a good deal of time and energy into looking at how GPD does business. I have reviewed our processes, our operating procedures, and how GPD staff interacts internally and externally with our customers—our State and local partners and stakeholders. The goal is to ensure that GPD's grant administration procedures are effective and responsible—beginning the process with the development of grant guidance and concluding with the close-out of individual grants. While we are still in the preliminary phases of this review, I believe that

with the support we have from FEMA and DHS leadership, we can greatly improve our grant process and how we do business.

In our efforts to improve GPD operations on a day-to-day basis, we must ensure that we have the proper capabilities in place. One of our most valuable assets is an exceptional staff with the skills, knowledge, and motivation, to succeed. There is no question that GPD is comprised of dedicated professionals with years of experience in the planning, execution, management, and monitoring of Federal grant programs.

While decreased staffing levels in recent months have been a challenge, with the support of FEMA and DHS leadership, we are moving quickly to meet GPD's staffing requirements. We are actively recruiting additional Federal employees: We currently have 48 advertised staff position announcements and a new senior management position that will be announced shortly. Once these positions are filled within the next few months, GPD's staffing level will be at its full authorized level of 192.

Another critical component of GPD's success is its ability to ensure that Federal grant dollars have been accounted for, and that those grant dollars are meeting critical security needs across the country. Given the size of this investment, it is important for GPD, as stewards of the taxpayers' money, to assess what these dollars have bought, and what our investment has returned. At the end of the day, we need to be able to show how each grant dollar improves our Nation's capabilities and provides a strong return on our investment.

Madam Chairwoman, as this committee is aware, those of us at FEMA and at DHS are committed to doing this. Intuitively we can say that we are better prepared today than we have been in the past. We can point to such things as the amount and type of equipment that has been purchased. We can look at the improvements in physical security that we have made and the improvements in planning and training that we have put in place, and we conclude that we are better prepared. However, we are and will continue to do even more. Through the development and assessment of metrics, connecting the dollars we've spent to the results that our grant money has achieved, we can better evaluate our preparedness.

Recognizing that it is important to take a comprehensive look at all our past efforts, the DHS fiscal year 2010 Appropriations Act instructed FEMA's National Preparedness Directorate (NPD), in cooperation with the Department's Office of Intergovernmental Affairs, to create and lead an effort to help us better understand preparedness and how best to invest preparedness dollars. With the creation of the local, State, Tribal, and Federal Preparedness Task Force (Task Force), FEMA and DHS are undertaking a comprehensive look at these questions. The report and recommendations of the Task Force are due later this year and will help move us closer to understanding how prepared we are and how best to dedicate preparedness resources.

Further, as part of this effort, we are exploring new ways and systems to manage and report the data we collect from our grantees. GPD currently maintains several systems that were created at different times and collect different types of information. Too often, pulling and organizing data from these different systems is cumbersome and time-consuming. We are committed to creating a more efficient and accurate system of collecting and reporting information. We are currently discussing system requirements with both FEMA and DHS leadership and are in the process of determining time lines for implementation and funding requirements. Once these changes are implemented, they will provide us and the American people with a clearer understanding of how our grant dollars are being used and what results are being achieved. It will also give us a more effective tool to monitor the spending decisions made by grant recipients.

Lastly Madam Chairwoman, GPD must be able to carry out this mission within a new and evolving FEMA structure. Administrator Fugate strongly believes that emergency management organizations are most responsive and effective when the authority to make operational decisions is delegated to those command levels in the field with boots on the ground. FEMA is putting in place a structure in which Headquarters is responsible for the "rules and tools" of the programs we manage, while the regions are becoming increasingly responsible for implementing those programs in the field. The responsibility of headquarters is to prescribe and develop systems in support of our National policy. Personnel in the regions and the field are responsible for the actual policy implementation as well as preparing for, responding to, recovering from, and mitigating all hazards.

I recognize that there has been much discussion over the impact of empowering the regions as part of our strategy. Allow me to address this. Grant regionalization (that is, empowering the regions by providing them with increased responsibilities in the management and administration of the homeland security grant programs) is still in an early stage. It is a work in progress. We are currently assessing how

FEMA's grant programs will be structured and administered, and how accompanying roles and responsibilities will be defined. These determinations will be made based on a careful study of each grant program's requirements, and after we have a clear understanding of the benefits derived from having the program administered by the regions.

In fiscal year 2010, FEMA assigned full responsibility for the implementation of six homeland security grant programs to the regions: The Emergency Management Performance Grant Program, the Emergency Operations Center Grant Program, the Regional Catastrophic Planning Grant Program, the Citizen Corps Grant Program, the Metropolitan Medical Response Systems Grant Program, and the Drivers License Security Grant Program.

These programs have traditionally been characterized by high levels of local involvement in their development and administration through the use of local working groups, community councils, and State and local agencies. For example, there is the Citizen Corps Grant Programs' reliance on State and local Citizen Corps Councils to determine uses of funds and to establish local program goals and objectives. Similarly, the Metropolitan Medical Response Systems (MMRS) Grant Program relies on local MMRS Working Groups to determine local program activities. The Emergency Management Performance Grant Program is also directly administered by State and local emergency management agencies.

Moving these six programs to the regions provides FEMA the opportunity to step back and assess the success of grant regionalization, to study the grant process and the various parts of the grant cycle, and to better understand how roles and responsibilities may be best shared between headquarters and regional staffs.

Moving these six programs to the regions also will provide the opportunity for detailed discussions between headquarters and regional staff to better understand opportunities for improvement, establish corrective actions, and identify best practices. This process will allow us to pilot the regionalization of these six programs with our State and local partners.

I also cannot emphasize enough how critical the inclusion of our State and local partners will be to our examination of regionalization and regional empowerment. At the end of the day, our decisions on regionalization will be driven by the same key concern that drives all FEMA and GPD decisions—how do we better prepare our Nation for a natural disaster or terrorist attack.

Madam Chairwoman, in conclusion I would like to add a personal note. As a former volunteer and paid fire fighter and paramedic, I have seen first-hand how these homeland security grants are spent. I understand how important Federal funding is for preparing our communities, building capabilities at the local level, and ensuring the safety of our citizens and our first responders. My experience as a fire fighter and paramedic gives me insight into the importance of including front-line responders of all disciplines in the design and planning of these grant programs. I am committed to keeping our stakeholders informed throughout the decision-making process. The inclusion of our stakeholders, the transparency of our processes, and our ability to work closely with our State and local partners is critical to the success of GPD's mission.

Madam Chairwoman, this concludes my statement. I am happy to respond to any questions that you, Congressman Rogers and the other Members of the committee may have.

Ms. RICHARDSON. Thank you for your testimony.

I now recognize Ms. Richards to summarize her statement for 5 minutes.

STATEMENT OF ANNE L. RICHARDS, ASSISTANT INSPECTOR GENERAL FOR AUDITS, OFFICE OF THE INSPECTOR GENERAL, DEPARTMENT OF HOMELAND SECURITY

Ms. RICHARDS. Good morning, Madam Chairwoman and Members of the subcommittee. I am Anne Richards. I am the assistant inspector general for audits for the Department of Homeland Security. Thank you for the opportunity to testify at this hearing on the future of FEMA's Grant Programs Directorate.

Today I will discuss four barriers that impact the effectiveness and efficiency of FEMA's preparedness grant programs. I will also

briefly discuss our audit work in the areas of grants management and oversight in State and urban-area grants.

The efficient and effective operation of preparedness grant programs is affected by several barriers within the Department. These include the way grant guidance is developed, the requirements of various grant applications, how those applications are reviewed, and the division of program management among multiple offices.

First, guidance. FEMA issues separate annual guidance for each grant program. This practice complicates coordination and creates burdensome requirements for both FEMA and grantees. In addition, FEMA has established requirements that vary across programs, regardless of the similarities of the grant program, making it difficult for States to have a streamlined planning process that is consistent across all grant programs.

Concerning the application process, States have to apply separately for each grant, even where activities overlap. Grant programs also have different application formats, requiring applicants to prepare and submit unique information for each program regardless of the similarities of the proposed activities.

Regarding application review, FEMA's ability to identify duplicative or redundant funding requests is limited because grant applications are reviewed one program at a time. FEMA's review panels do not compare applications to other grant proposals submitted by the same grantee under different grant programs that fund similar activities.

Another barrier is that the grant program management is split among several offices, creating organizational barriers to coordination. Although the Grant Programs Directorate is responsible for managing DHS preparedness grants, program-specific management is split among different directorates within DHS. FEMA has the lead for managing the review and approval processes and coordinating grant guidance, while other organizations within DHS identify the funding priorities, provide guidance, and participate in the review process.

When these subject-matter experts reside outside of FEMA or when different organizations within FEMA are responsible for managing preparedness grants, the agency's ability to coordinate across grant programs is impeded.

On a positive note, FEMA has taken steps to coordinate application and investment reviews for four grants comprising the Homeland Security Grant Program. This practice has the potential for limiting duplication among the grant programs and ensuring that the States' highest priorities are considered.

There are other barriers to effective and efficient preparedness grant programs outside of FEMA's control, such as legislative barriers and barriers at the State and local levels, but I will not discuss those today.

I would also like to briefly summarize the audit work we conducted in the areas of grants management and oversight and State and urban-area grants.

In the grants management and oversight area, we reported that FEMA did not consistently and comprehensively execute its two major oversight activities: Financial and program monitoring. This occurred, in part, because FEMA did not have sufficient grants

management staff and also because FEMA did not have comprehensive policies, procedures, and plans for oversight and monitoring.

Congress has sought to address the unresolved human capital issues by mandating that FEMA identify its human capital needs and develop a plan to address those needs. FEMA has formed an Intra-Agency Grants Program Task Force that has developed a FEMA grant strategy to drive future enhancements in grant policies, procedures, systems, and processes.

Finally, I would like to discuss our audits of State and urban-area grants. The States and urban areas we audited in 2008 and 2009 generally did an efficient and effective job of administering the grant program requirements, distributing grant funds, and ensuring that all available funds were used.

However, we identified areas for improvement, with most States facing challenges and controls over personal property, monitoring and oversight activities, and planning activities, such as establishing measurable program goals and objectives. Other challenges include questioned costs, complying with Federal procurement practices, and financial planning, reporting, and support.

We also identified nine effective tools and practices which we recommended be considered for use by other jurisdictions.

Madam Chairwoman, this concludes my prepared remarks. I welcome any questions that you or the Members of the subcommittee may have.

[The statement of Ms. Richards follows:]

PREPARED STATEMENT OF ANNE L. RICHARDS

JUNE 29, 2010

Chairwoman Richardson and Members of the subcommittee: Thank you for inviting the Office of Inspector General to testify at this hearing entitled “the Future of FEMA’s Grant Programs Directorate.”

My testimony today will address challenges facing the Department, and specifically the Federal Emergency Management Agency, in mitigating redundancy and duplication among preparedness grant programs. The information provided in this testimony is contained in our March 2010 report “Efficacy of DHS Grant Programs” (OIG–10–69), and our March 2009 report “Improvements Needed in Federal Emergency Management Agency Monitoring of Grantees” (OIG–09–38). I will also discuss challenges facing the States and urban areas as addressed in our summary reports issued for fiscal years 2008 and 2009 Annual Report to Congress on States’ and Urban Areas’ Management of Homeland Security Grant Programs (OIG–09–17 and OIG–10–31).

BACKGROUND

The Federal Emergency Management Agency (FEMA) coordinates the Federal Government’s role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all natural or manmade domestic disasters, including acts of terror. In fiscal year 2008, FEMA awarded more than \$3 billion to State and local governments; territories; Tribal governments; and private, public, profit, and non-profit organizations through preparedness grants and other financial assistance programs (referred to collectively as grants). DHS preparedness grants are intended to enhance preparedness, protection, response, recovery, and mitigation capabilities throughout the Nation by funding such items as planning, training, exercises, equipment, interoperable communications, and personnel costs.

Within FEMA, the Grant Programs Directorate is responsible for business operations, training, policy, and oversight of all FEMA grants. This new directorate was created on April 1, 2007, in response to the Post-Katrina Emergency Management Reform Act of 2006, to consolidate the operations of all FEMA grants under a single organization. The Act consolidated not only grant operations, but also preparedness

grants that previously had program responsibility residing in various DHS organizations.

The Grant Programs Directorate reviews, negotiates, awards, and manages FEMA's preparedness grant portfolio; provides subject matter expertise in response to regional office and stakeholder inquiries; develops grant guidance and formulates risk methodology to support grant allocations; and analyzes investments. This Directorate also receives subject matter expertise through collaboration with offices within FEMA and other components of DHS.

COMPARING AND COORDINATING PREPAREDNESS GRANT PROGRAM APPLICATIONS

The preparedness grant application process risks being ineffective because FEMA does not compare and coordinate grant applications across preparedness programs to mitigate potential duplications and redundancy. Barriers at the legislative, departmental, and State levels impede FEMA's ability to coordinate these programs. Since grant programs may have overlapping goals or activities, FEMA risks funding potentially duplicative or redundant projects.

Legislative Barriers to Coordination

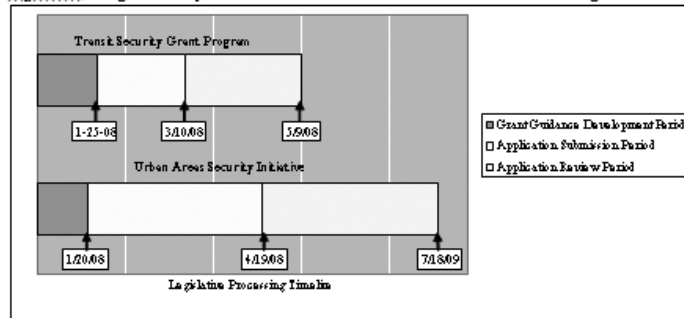
Three types of legislative barriers hinder FEMA's ability to identify and minimize duplication and redundancy within preparedness grants. First, Congress enacts legislation for preparedness grants that have similar goals. Second, Congress appropriates funds on an annual basis for these grants and in most instances, the legislation mandates disparate application and award milestones. Finally, the annual appropriation law may contain Congressional earmarks that dedicate funds towards specific grant projects, precluding FEMA from coordinating grant programs.

Multiple Grant Programs Have Similar Legislated Goals.—The 13 grant programs we reviewed during our audit have similar legislated goals. At a broad level, these programs provide Federal assistance to State and local governments, nonprofit organizations, emergency responders, and port and transit authorities to improve homeland security and emergency management capabilities. Specifically, the legislated goals of these grant programs focus on activities to prepare for or respond to acts of terrorism or other disasters.

For example, States may request funding for planning projects through both the Urban Areas Security Initiative and the Regional Catastrophic Preparedness Grant Program. While the goals for both programs are directed at improving preparedness planning in high-risk urban areas, the Regional Catastrophic Preparedness Grant Program is focused on all-hazards planning, while the Urban Areas Security Initiative is focused on responding to acts of terrorism.

Disparate Milestones Are Legislatively Established.—Legislation also mandates grant application processing and award milestones; however, not all grants are set on the same schedule. When grant review periods and award dates overlap, FEMA may not have sufficient time to compare the numerous applications submitted by each State for similar or related projects to prevent duplication. While we are not advocating that all applications be due on the same date, we are identifying the disparate schedules as a potential barrier to FEMA's ability to coordinate related projects.

To illustrate, Figure 1 reflects the different legislated milestone requirements for the Urban Area Security Initiative and the Transit Security Grant Program during fiscal year 2008. Both of these programs may be used for costs to develop and implement homeland security support programs, and adopt on-going DHS National initiatives such as enhancing preventive radiological and nuclear detection programs. As shown in Figure 1, FEMA must make award decisions for the Transit Security Grant Program before completing its review of Urban Areas Security Initiative applications, inhibiting coordination of potentially related projects.

Figure 1. Legislatively Established Grant Milestones for Two Programs

Congress Earmarks Funds for Specific Purposes.—Annual appropriation law may contain Congressional earmarks that fund specific grant projects. These earmarks limit FEMA’s ability to ensure Federal assistance is being provided to fund grant recipients’ most urgent homeland security and emergency management needs and priorities. They also inhibit FEMA’s ability for corrective action on potentially duplicative investments for grant recipients who received grants through normal risk-based application processes for purposes similar to the earmarked funds.

Departmental Barriers to Coordination

In addition to legislative barriers, FEMA faces Department-level challenges that impede its ability to coordinate grant applications across the many programs. Departmental barriers include:

- Interpreting legislation,
- Developing grant guidance,
- Requiring investment justification details,
- Reviewing applications, and
- Coordinating with subject matter experts located in separate program offices.

Grant-Related Legislation Requires Interpretation.—FEMA, or its predecessor organizations, created a barrier to coordination in establishing separate stand-alone grant programs to accomplish Congressional objectives. Typically, once Congress authorizes a grant to fund an emerging homeland security or emergency management need, FEMA develops a new and separate grant program. While the legislation did not direct FEMA to establish a separate program, FEMA interpreted the legislation as such. FEMA’s development of separate grant programs promotes fragmentation and complicates coordination at both the Federal and State level.

Grant Guidance Is Developed for Individual Programs.—Creating individual guidance for each grant program deters coordination because the individual guidance documents establish a separate identity for each program and each grant application will be tailored specifically to the guidance. Grant guidance establishes the individuality and details the scope of a grant program. The substance of individual grant guidance includes identifying funding priorities, describing the application and review process, providing the investment justification template, and other year-to-year changes. While the FEMA Grant Programs Directorate has the main responsibility for issuing grant guidance, the directorate coordinates with individual program offices to develop the substance of the grant guidance for each individual grant program. With the exception of the Homeland Security Grant Program, which combines grant guidance for four interrelated grant programs into one guidance document, individual grant guidance results in a deterrence to coordination because of the number of organizations involved.

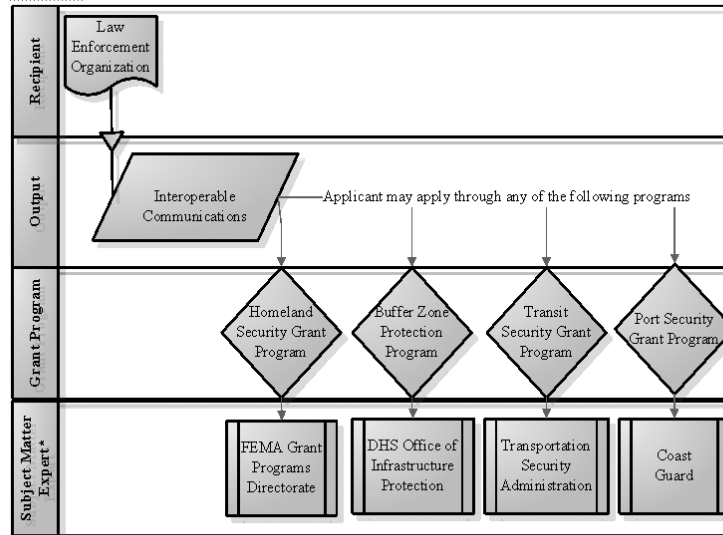
Applications and Investment Justifications Request Different Levels of Detail.—Typically, the level of detail in grant applications and investment justifications is not sufficient for FEMA to identify potential duplication and redundancy. Investment justifications are a part of a grant application and provide a template for the applicant to describe the proposed project and demonstrate how it addresses deficiencies in current capabilities. However, the level of detail on each project makes it difficult to identify whether States are applying for similar projects under another grant program. The investment justification template for the State Homeland Security Program, for instance, does not provide grant applicants the ability to provide specific details on their proposed projects. The investment template covers topics in-

cluding critical infrastructure, preparedness planning, and interoperable communications. It also requests a high-level purpose statement, funding plan, and outcomes. Without additional details, FEMA cannot readily identify whether similar projects submitted separate grant program applications overlap.

Applications Are Reviewed At the Department Level Without Considering Other Grant Programs.—FEMA’s ability to determine whether the proposed grant application investments contain duplicative or redundant requests is impeded when grant applications and investment justifications are reviewed one program at a time. After a grant application is submitted, a review panel evaluates applications and proposed investments. While the panel compares the proposed investments to the grant guidance for that program, the panel does not compare proposals against applications for other grant programs submitted by the same grantee.

With the availability of funds from numerous individual preparedness grant programs for similar purposes, applicants may apply for multiple grant programs for the same items to maximize their chances to fully fund a project. Of the 13 programs we reviewed, 11 allow applicants to purchase interoperable communications equipment, such as radios. Therefore, it is possible for a single organization within a State to receive funding from multiple grant programs for similar items. As one example, it is possible for a law enforcement organization to build a cache of radios through multiple grant programs, as shown in Figure 2 below. As these four programs undergo different review processes, FEMA cannot readily identify whether funds requested are for similar or overlapping projects.

Figure 2. Use of Multiple Grant Programs for Similar Equipment Requests



* Subject matter experts perform the technical review of investment proposals. FEMA also has a role in the application process for all four grant programs.

FEMA has taken initial steps to coordinate application and investment justification reviews for four individual grant programs. The Homeland Security Grant Program is comprised of four interconnected grant programs: (1) The State Homeland Security Program, (2) Urban Areas Security Initiative, (3) Metropolitan Medical Response System, and (4) Citizen Corps Program. During the review process, State and local peer reviewers evaluate and score applications and investment justifications for all four of the individual grant programs in a single application submission and review process. However, while State and local peer reviewers have the capability to perform an internal comparison of grant programs under the Homeland Security Grant Program, they do not have access to applications and investment proposals submitted in response to other grant programs with similar purposes or allowable activities.

Separate Program Office Responsibilities Hamper Coordination.—Grant program management split among several offices creates organization barriers to coordination. Although the Grant Programs Directorate is responsible for managing DHS

preparedness grants, program-specific management is split among different directorates within DHS. FEMA has the lead for managing the review and approval processes and coordinating grant guidance, while separate organizations within DHS identify the funding priorities, provide guidance input, and participate in the review process. While each grant program has a guidance document defining the application and review process for the individual program, FEMA does not have an overarching policy to outline the roles and responsibilities for coordinating applications across grant programs.

When subject matter experts, who define funding priorities and review investment justifications, reside outside of FEMA, the agency's ability to coordinate across grant programs is impeded. For example, the Buffer Zone Protection Program is not coordinated with other grant programs at the Department level. This program provides funding to secure predesignated critical infrastructure sites, which are preselected by the DHS Office of Infrastructure Protection. Once DHS selects the sites, local officials work with site owners to develop security plans and identify equipment needed to implement the plan. Because FEMA does not have a process for ensuring applications are coordinated across grant programs, the Office of Infrastructure Protection is unable to validate with FEMA whether the applicant had requested similar equipment items under other grant programs. While FEMA relies on the subject matter expertise that these organizations provide, it cannot easily identify duplications in its grant programs without an overarching policy outlining roles and responsibilities for coordinating applications across grant programs and across the different organizations.

State-level Barriers to Coordination

FEMA encounters barriers at the State level that impede its ability to compare and coordinate grant applications and investments across preparedness programs. States do not have an overall grant strategy that identifies specific projects and their funding sources. Additionally, there is not one organization within the State that has visibility over all State entities that receive DHS financial assistance.

Not All States Have Overall Grant Strategies.—The three States we visited did not have overall, comprehensive grant strategies. The States had various preparedness strategies or plans that address target capabilities and identify critical goals, objectives, and implementation steps. However, the plans did not specifically address how the States are using funds from the multiple DHS grants to improve homeland security preparedness. A more comprehensive plan could provide States a tool to promote coordination across the different grant programs which are now planned and accounted for separately.

State-level Visibility Over All Grant Programs Is Not Centralized.—FEMA cannot rely on the States to coordinate all preparedness grant applications because grants are awarded to multiple organizations within the State. At the three States we visited, none of the States had an organization with visibility across all preparedness grant programs. Some grants are awarded through State administrative agencies while others bypass the State administrative agency and go directly to recipients such as port authorities, local fire departments, and first responders. The prerogative of each State to determine its own organizational structure may or may not coincide with the corresponding Federal grant program responsibility. Without the State having visibility over all preparedness grants, FEMA cannot rely on States to identify duplication and redundancy across DHS grant programs.

EFFICIENCY OF GRANT APPLICATION PROCESSES

FEMA's grant application processes are not efficient because application requirements, review processes, and timelines vary among the grant programs. These numerous processes and requirements can be burdensome on Federal and State resources because this creates redundant work for both Federal and State personnel. Therefore, coordinating and streamlining these application processes may help ensure the most efficient use of limited Federal and State resources.

Inconsistent or Redundant Grant Application Requirements

FEMA issues separate annual guidance to outline the application processes and requirements for each grant program which creates burdensome requirements on both FEMA and grantees as the requirements differ across grant programs. Additionally, the multiple application processes have redundant requirements.

Grant Requirements for Similar Grant Programs Differ Significantly.—Requirements in grant guidance vary across programs, regardless of the similarities of the grant program, making it difficult for States to have a streamlined planning process that is consistent across all grant programs. Differences include program priorities and investment justification templates that must be followed.

While considerable potential overlap exists in the activities supported by DHS preparedness grant programs, the priorities for these programs may differ. For example, the fiscal year 2008 Urban Areas Security Initiative, Regional Catastrophic Preparedness Grant Program, and Emergency Management Performance Grant Program provide assistance to improve preparedness planning processes. However, each program focuses on a different priority.

- The Urban Areas Security Initiative provides funds to high-risk urban areas to build an enhanced and sustainable capability to prevent, protect against, respond to, and recover from acts of terrorism.
- The Regional Catastrophic Preparedness Grant Program supports improved and expanded regional collaboration for all hazard and catastrophic events, including high-risk urban areas and surrounding regions. This program focuses on eight National planning scenarios identified by the Federal Government as the most urgent for planning purposes.
- The Emergency Management Performance Grant Program also supports State and local all-hazards emergency management programs and encourages applicants to address National planning scenarios in their work plans, but is focused on evacuation planning, logistics and resource management, continuity of operations planning, and recovery planning.

Since each preparedness planning program focuses on a different priority, States have to undertake three separate planning and grant application processes to request funding under each program.

Grant programs also have different investment justification templates as part of the application process. This requires applicants to prepare investment justifications or documents with unique information for each program regardless of the similarities of the proposed funding activities. These varied templates and program documents may provide consistency for panels reviewing project proposals for the individual grant programs, but present an administrative burden for grant applicants who must prepare similar information in different formats.

Grant Applications for Similar Programs Incorporate Redundant Requirements.—Grant applicants must perform redundant work to apply for DHS preparedness grants, which is burdensome and time-consuming. The use of the website grants.gov has streamlined the application process, but it still requires applicants to prepare and submit redundant information if an applicant applies for multiple grants.

FEMA's grant application process required each State Administrative Agency, the designated applicant for 10 of the 13 grant programs reviewed, to complete an on-line grant application seven times for the 10 grant programs. Submitting these similar documents multiple times may increase the State Administrative Agency's opportunities for errors on these forms. The process for the seven grant programs included similar application, financial, and administrative compliance requirements.

FEMA also requires State Administrative Agencies to use two on-line systems to complete and file investment justifications for the Homeland Security Grant Program. First, the State Administrative Agency must complete the State Homeland Security Program and Urban Areas Security Initiative investment justifications through the Department's Grant Reporting Tool. Upon completion of the investment justifications, the State Administrative Agency must submit the official copy of its final investment justification through www.grants.gov with the grant application. While these on-line tools helped to streamline the application processes, they include an inefficient duplication of effort for both Federal and State grant administrators.

Review Panels Differ Across Grant Programs

Grant programs have separate review processes to evaluate funding requests for each grant program, which requires FEMA to convene multiple review panels to evaluate applications and investment justifications. For all programs, FEMA verifies the applicant's compliance with administrative and eligibility criteria identified in each grant program's application kit. FEMA then sends the eligible applications through an investment justification review process to evaluate the merits of proposed investments against grant guidance criteria. However, FEMA uses various types of reviews to evaluate proposed investments. The type of review and participants of the review panel are based on the grant program. For the 13 grant programs we reviewed, FEMA employed 6 different review processes, composed of different personnel such as Federal, State, and local government personnel; emergency responders; and members of National associations, as shown in the following table.

Grant Program Review Methodologies

1. *FEMA Review*.—FEMA headquarters components and/or regional offices review investments and make award determinations. (Emergency Management Performance Grant Program)
2. *DHS Review*.—DHS components outside FEMA, such as the Office of Infrastructure Protection review proposed investments. (Buffer Zone Protection Program Grant)
3. *Peer Review*.—A panel of State and local representatives from across the Nation, such as subject matter experts with experience in fire and emergency response, review and score proposed investments. (Homeland Security Grant Program, Assistance to Firefighters Grants)
4. *Federal Review*.—A panel of subject matter experts from across DHS, including components within FEMA and outside FEMA such as the DHS Office of Emergency Communications, review proposed investments. (Interoperable Emergency Communications Grant Program)
5. *National Review*.—A panel of subject matter experts from across DHS, including FEMA, non-DHS Federal components, or National associations, review proposed investments. (Port Security Grant Program)
6. *Subject Matter Expert Review*.—National subject matter experts with experience in law enforcement and emergency response review and score proposed investments. (Commercial Equipment Direct Assistance Program)

These numerous panels create additional work for FEMA to request review panel members from Federal, State, and local organizations, depending on the grant program. FEMA must also train the numerous panels, provide review materials, oversee the panels, and compile panel results. Consolidating panels where grant programs have similar purposes or activities would provide a more efficient use of Federal, State, and local resources.

Sequencing Existing Grant Application Timelines

Grant timelines do not promote the most efficient application preparation and review because they are not arranged in the most optimal sequence. In many cases, the timelines are legislatively established and do not allow States the opportunity to logically develop investment justifications that address overarching needs or define target capabilities while simultaneously focusing on more narrowly focused programs. For example, law enforcement organizations that provide transit security may receive funding through the Transit Security Grant Program. These same organizations may also receive funding for law enforcement terrorism prevention-oriented planning, training, exercise, and equipment activities through both the State Homeland Security Program and the Urban Areas Security Initiative. While we have not defined the most optimal sequence for grant programs, an organized sequence would increase efficiency at the Federal level by allowing grant reviewers to use the outcome from various panels as they review their investments and also by reducing the time that States may spend developing investment justifications. This would also provide a better review at the State level to ensure that redundant projects are not duplicated across grant programs.

RECOMMENDATIONS

We recognize that legislated requirements can complicate the application and review of Federal assistance programs. However, FEMA needs to identify alternate ways to improve its grant application and review processes operating within currently legislated requirements or work with Congress to modify the processes to ensure the most efficient and effective use of limited Federal resources.

We recommended that the Federal Emergency Management Agency:

- Identify preparedness grant programs that may overlap or duplicate other programs and ensure the application and review processes for these programs are coordinated to mitigate potential duplication and redundancy.
- Document specific agency roles and responsibilities for cross-program coordination of grant application and review processes and ensure internal DHS coordination is in place. This may include establishing memorandums of agreement if roles are outside the Federal Emergency Management Agency.
- Work with Congress and State grant administrators to identify opportunities and implement actions to streamline and standardize multiple preparedness grant program application processes.

The Director of FEMA's Office of Policy and Program Analysis provided written comments on a draft of this report. FEMA concurred with our recommendations and outlined plans and actions to implement our recommendations designed to improve the efficacy of these grant programs.

OTHER CHALLENGES IN MANAGING THE HOMELAND SECURITY GRANT PROGRAM

Public Law 110-53, Implementing Recommendations of the 9/11 Commission Act of 2007, directed the Department of Homeland Security Office of Inspector General to review and evaluate the grant management and oversight practices of the Federal Emergency Management Agency. Improvements are needed in FEMA's grants management and oversight infrastructure to ensure effective monitoring of grantees. Specifically, FEMA does not consistently and comprehensively execute its two major oversight activities, financial and program monitoring. This occurs, in part, because FEMA does not have sufficient grants management staff. Congress has sought to address these unresolved human capital issues by mandating that FEMA conduct an analysis and develop a plan of action. In addition, financial and programmatic monitoring policies, procedures, and plans are not comprehensive.

FEMA's financial and programmatic monitoring activities are critical parts of an effective grant oversight program. FEMA needs an appropriate oversight infrastructure to ensure that all financial and programmatic monitoring activities can be accomplished, as specified in its monitoring plans. Key components of this infrastructure include implementation of a strategic human capital plan and associated workforce analysis, adequate staffing, formal training, comprehensive policies and procedures, realistic and representative monitoring plans, consistent documentation of monitoring activities, and integrated grant management systems.

Effective oversight will ensure that grantees have adequate internal controls, grant funds are being used as intended, grant programs are carried out as prescribed, and grantees are complying with the terms and condition of their grant award agreements.

FEMA has formed an Intra-Agency Grants Program Task Force that has developed a FEMA Grants Strategy to drive future enhancements in grants policies, procedures, systems, and processes. The task force has identified projects including the development of comprehensive grant management monitoring policies and procedures for the FEMA directorates with program management and oversight responsibilities.

Public Law 110-53, Implementing Recommendations of the 9/11 Commission Act of 2007, also required the Office of Inspector General to audit individual States' management of State Homeland Security Program and Urban Areas Security Initiatives grants and annually submit to Congress a report summarizing the results of these audits. In the 2 complete years since the law was enacted, the States we audited generally did an efficient and effective job of administering the grant management program requirements, distributing grant funds, and ensuring that all of the available funds were used.

However, individual audit reports identified areas for improvement, with the most States facing challenges in controls over personal property, monitoring and oversight activities, and planning activities such as establishing measurable program goals and objectives. Other challenges included questioned costs, complying with Federal procurement practices, and financial planning, reporting, and support. We also identified nine effective tools and practices used by five States that could be considered for use by other jurisdictions.

Madam Chairwoman, this concludes my prepared remarks. I welcome any questions that you or the Members of the subcommittee may have.

Ms. RICHARDSON. Thank you for your testimony.

I now recognize Chief Patalano—I keep butchering your name, and I actually know you—to summarize his statement for 5 minutes.

**STATEMENT OF ALAN PATALANO, FIRE CHIEF, LONG BEACH
FIRE DEPARTMENT, LONG BEACH, CALIFORNIA**

Chief PATALANO. Good morning, Madam Chairwoman and fellow Members of the committee. My name is Alan Patalano, and I am the fire chief for the city of Long Beach and a member of the LA/Long Beach Tier 1 UASI Working Group. I would like to say thank you for holding this meeting.

Emergency communications, preparedness, and response are high priorities for the city of Long Beach and the entire urban area, and I know you share these priorities as well. Long Beach is a proud member of FEMA Region 9, and we are working hard with

our cities and the State of California to improve our ability to mitigate or prevent a natural or manmade disaster.

As you are well aware, our local area has very serious homeland security threats, including the port complex of Long Beach and Los Angeles. Long Beach refineries are responsible for one-third of the gasoline west of the Rockies. The port of Los Angeles contributes almost \$226 billion annually to the National economy through trade. The ports of Los Angeles and Long Beach handle 30 percent of all U.S. shipping imports.

Additionally, our region presents unique targets to acts of terrorism. As the center of the film and entertainment industry, the Southern California region is the face of iconic American culture.

Over the past 4 years, the combined Los Angeles-Long Beach region received over \$400 million through UASI funds and the State Homeland Security Grant Program. These funds have been instrumental in increasing the overall capabilities within the region.

Working in collaboration with 30 fire agencies, my department has upgraded existing communication capabilities, increased our capacity to treat multiple victims, developed urban search and rescue capabilities that are available for deployment to other areas through our very robust California mutual aid system, and implemented a hazardous materials team to protect our court complex.

Our local police department has also benefited from homeland security funds. The capabilities of the SWAT team have been increased through the purchase of specialized equipment and PPE. The region has also improved communications interoperability and significantly increased intelligence-gathering capabilities. In addition, an automated license plate recognition system has been implemented that allows for rapid identification of suspect vehicles.

Homeland Security funds have also increased the region's capabilities to distribute medicine during a significant disaster, improved our local lab's ability to detect and analyze chemical and biological threats, and improve securities at the many airports within the region, including Long Beach and LAX.

Long Beach and the region strongly believe that Homeland Security dollars must be targeted to the areas of highest threat and need, and Long Beach is very supportive of DHS's risk-based funding approach.

Despite DHS's intent to fund cities at highest risk, the LA-Long Beach urban area has experienced a decrease in UASI funding since 2006. During this time, our funding has decreased 13 percent overall. In comparison, over the same period, other UASI regions have grown by as much as 51 percent.

It is important to remember the unique cultural, geographic, and economic aspects of the Los Angeles-Long Beach urban area. We strongly believe that the region needs more Homeland Security aid in our fight against terrorism, precisely because it is a high-value target and an attack would have enormous consequences that would be felt around the world.

In terms of future needs, the region is counting on the support of the Federal Government to develop complete interoperable communications between public safety agencies within the region's operational area. Long Beach supports additional dedicated funding for interoperable communications for all regions based on risk.

The capability that Long Beach and other cities have developed over the past decade must be sustained into the future. As we move forward, much of the equipment secured will eventually need to be replaced. We support allowing replacement of previously purchased equipment as an eligible grant use.

Additionally, we appreciate the support of Congress to continue to provide Homeland Security funds without the burden of a matching requirement. Cities are not in the financial situation to afford any type of match.

Speaking for the LA-Long Beach UASI, we also request that Congress and DHS reevaluate the allowances for administering grant programs. Currently, we are constrained to 3 percent of the total grant amount to administer the grant. The workload to administer the grants has increased, but the funds to support administration have decreased. A reevaluation of the 3 percent allowance could help local governments tremendously in handling the administrative duties of effective grant management.

We enjoy a very good working relationship with FEMA Region 9 representatives. Because of this relationship, we support FEMA's concept of regionalization of some aspects of grant programs or functions. If the regions are supported with adequate personnel and flexibility, we believe that programs can be streamlined and issues addressed quickly. However, if the proposal simply creates another layer of approvals or review, this will significantly hamper effectiveness. We are optimistically awaiting the details of the proposal.

Finally, Madam Chairwoman, I would like to thank you again for allowing this opportunity to share with the committee a few of the many activities that are going on in FEMA Region 9 in the LA-Long Beach UASI area. We wholeheartedly appreciate the support you have bestowed upon us throughout the years, and we look forward to continuing our partnership in the best interest of National security and protecting our communities.

That concludes my remarks, and I stand ready to answer any questions.

[The statement of Chief Patalano follows:]

PREPARED STATEMENT OF ALAN PATALANO

JUNE 29, 2010

Good morning Chairman Richardson and fellow Members of the committee. I want to first thank you for holding this hearing. Emergency communications, preparedness and response are high priorities for the city of Long Beach and the region and I know you share these priorities as well. Long Beach is a proud member of FEMA Region 9, an active member in the Mutual Aid system, and we are working hard with our local cities and the State of California to improve emergency communications, preparedness, and response in the unfortunate event of a natural or man-made disaster.

As you are well aware, our local area has very serious homeland security threats, including foremost the Ports of Long Beach and Los Angeles. Both Los Angeles and Long Beach continue to require significant Federal assistance to secure these two ports, which are incredibly valuable economic generators for the entire Nation.

To give an example, Long Beach refineries are responsible for one-third of the gasoline west of the Rockies. The Port of Los Angeles contributes \$226.9 billion annually to the National economy through trade, and the Ports of Los Angeles and Long Beach handle 30 percent of all U.S. shipping imports. According to a 2005 RAND study on the short-term and long-term economic impacts of a nuclear attack on the Port of Long Beach, the economic impact could initially exceed \$1 trillion dollars.

Additionally, our region is uniquely vulnerable to other acts of terrorism. As the center of the film and entertainment industry, the Southern California region is the face of iconic American culture. The region puts on hundreds of events each year that are broadcasted to the rest of the world. While not permanent pieces of infrastructure, these high profile events with large clusters of people are targets for terrorists and need to be taken into greater consideration when evaluating risk.

However, our Operational Urban Area Security Initiative (UASI) Areas have been the beneficiary of Federal assistance to develop a significant preparedness and response capability to potential terrorist threats. Over the past 4 years, the combined Los Angeles/Long Beach local region received over \$400 million dollars through Urban Area Security Initiative funds and the State Homeland Security Grant Program. These funds have been instrumental in increasing the overall capabilities of emergency operations in the Region.

In the case of Long Beach, over the past 10 years Long Beach has received \$61 million dollars in Federal grant funding. These funds have come from eight programs including the Department of Defense, Office of Domestic Preparedness, Metropolitan Medical Response System, Office of Justice Programs, State Homeland Security Grant Program, Citizens Corps Program, Law Enforcement Tactical Planning and Preparedness, but mostly, from the Urban Area Security Initiative. The Urban Area Security Initiative has been instrumental in furthering emergency preparedness and protections for the city. Of the \$61 million in Homeland Security funding Long Beach has received, \$55 million was funded through the Urban Area Security Initiative.

Specifically, the Long Beach Fire Department has upgraded existing communications capabilities at our state-of-the-art ECOC, or Emergency Communications and Operations Center. The addition of a command-and-control platform and the upgrade of radio equipment and technology will ensure that communications with partner response agencies are possible. These funds have also allowed us to work with fire agencies within our Operational Area. We have also standardized the Self Contained Breathing Apparatus, which is integral in keeping our public safety personnel safe as they work to bring others to safety. Additionally, we have added interoperable connectivity to our breathing equipment so that firefighters can assist each other.

We have seen in disasters such as Hurricane Katrina, that the ability to move many people at once is absolutely necessary. Our Urban Area Security Initiative funds have allowed Long Beach and the region to increase our capacity to treat multiple victims with the deployment of Mass Casualty equipment and supplies. To this end, we have also used Urban Area Security Initiative funds and other Homeland Security grants to enhance our Urban Search and Rescue capabilities.

The Port of Long Beach is a significant asset in our region. As the Port receives mass amounts of goods and supplies from around the world, we have, in cooperation with the Port and the region, secured the capabilities to deploy a Hazardous Materials Team equipped with protective equipment and medicines to keep our public safety employees safe while they work to protect the public and keep the Port complex functioning. However, despite some investment in this area, protecting international trade is a core responsibility of the Federal Government and a much larger commitment is needed to truly protect our community and the entire Nation.

Our local police department has also benefited from Homeland Security grant funds. The capabilities of the SWAT team have been increased through the purchase of specialized equipment, personal protective equipment, and an armored vehicle. In coordination with other law enforcement agencies in the Operational Area, the region has secured communications equipment for interoperability and significantly increased intelligence capabilities by participating in the Joint Regional Intelligence Center. These funds have also implemented an Automated License Plate Recognition system that has given regional law enforcement agencies the ability to quickly identify vehicles within the city and apprehend individuals that pose a threat to our community.

Homeland security funds have also increased the region's capabilities to distribute medicine during a significant disaster with the development of Point of Dispensing sites throughout the Region. Funds have also been utilized to increase the capabilities of our local laboratory to analyze, detect, and rule out chemical and biological threats.

The Los Angeles/Long Beach region is home to many airports, including Long Beach Airport. Homeland Security funds have increased security at Long Beach Airport with the installation of physical barriers and cameras. These homeland security upgrades have also been implemented at other airports in the region.

Since the onset of the Homeland Security grants and even prior to the current Homeland Security model, Long Beach has focused on utilizing these funds to in-

crease our region's overall capabilities. We apply for and use these funds based upon risk and the ability to utilize awards in conjunction with local resources.

Long Beach and the region strongly believe that Homeland Security dollars must be targeted to areas of highest threat and need, and Long Beach is supportive of the Department of Homeland Security's risk-based funding approach to Homeland Security grants. Funding formulas that guarantee minimum amounts to all States regardless of risk should continue to be reduced significantly.

Despite the Department's intent to fund cities at highest risk, the Los Angeles and Long Beach Urban Area has consistently experienced a decrease in UASI funding since 2006. Even with a slight increase in funding in fiscal year 2010, funding has decreased 13 percent overall since fiscal year 2006. In comparison, over the same period, the Bay Area has received an increase of 51 percent, the New York region has increased 22 percent, and the Chicago region has increased 4 percent. It is important to remember the unique cultural, geographic, and economic aspects of the Los Angeles/Long Beach Urban area that are sometimes not taken into account. We strongly believe that the region needs more homeland security aid in the fight against terrorism precisely because it is a high value target for terrorists and an attack would have enormous consequences that would be felt around the world.

In terms of future needs, the region is counting on the support of the Federal Government through Homeland Security funds to develop complete interoperability between public safety agencies within the Region's Operational Area. This interoperability project is currently in the design phase and will need significant funding in the future to be successful. Long Beach supports additional dedicated funding for interoperable communications for regions based on risk, and not based on a formula that distributes funds to all States regardless of risk.

As you all know, there are always many shifting management components whenever a disaster strikes. This is why training exercises during times of peace is so important. Long Beach and the entire region is counting on the Federal Government to continue to support training exercises so that we can be prepared to assist our communities and the Nation in the unfortunate event of a disaster.

The capability that Long Beach and other cities have developed over the past decade must be sustained into the future. As we move forward, much of the equipment secured will eventually need to be replaced. Long Beach supports the Department allowing replacement of previously purchased equipment as an eligible grant use, as much of the equipment purchased under the first rounds of UASI grant funding will have to be eventually replaced to maintain the current level of response capability.

Long Beach and the region area are also requesting that Homeland Security play a role in meeting our personnel costs. Emergency communications, preparedness, and response is a personnel intensive operation. The ability for us to move forward requires the continuous development and maintenance of personnel, training, and plans.

Additionally, we appreciate the support of Congress to continue to provide homeland security funds without the burden of a matching requirement. Cities are not in the financial situation to afford any type of match, and much of the response personnel the Federal Government will require in the event of a National emergency will be the local first responders that local governments already provide for utilizing local funds.

Long Beach also requests that Congress and the Department of Homeland Security reevaluate the administration allowances in the various grant programs. Under the UASI program for example, local regions are constrained to 3 percent of the total grant amount to administer the grant, while States are allowed to set aside up to 20 percent. This imbalance leaves local areas with very few funds to administer these complex grant programs, and a reevaluation the 3 percent allowance could help local governments tremendously in handling the administrative duties of effective grant management.

We have enjoyed a very good working relationship with Region 9 representatives because they understand the complexity and needs of this area. Because of this relationship, we support FEMA's concept of moving some grant programs or functions to the Regions. If the Regions are supported with adequate personnel and flexibility, we believe that programs can be streamlined and issues addressed quickly. However, if the proposal simply creates another layer of approvals or review, this will significantly hamper effectiveness and threaten the excellent relationship we have enjoyed to date. We are optimistically awaiting the details of the proposal.

Finally, Chairwoman Richardson, I would like to thank you again for allowing this opportunity to share with the committee a few of the many emergency communications, preparedness, and response activities that are going on in FEMA Region 9. We wholeheartedly appreciate the support you have bestowed upon us over the

years, and we look forward to continuing this partnership in the best interests of National security and protecting our communities.

Ms. RICHARDSON. Thank you for your testimony.

I now recognize Ms. Tierney to summarize her statement for 5 minutes.

STATEMENT OF MARYANN TIERNEY, DEPUTY MANAGING DIRECTOR, OFFICE OF EMERGENCY MANAGEMENT, CITY OF PHILADELPHIA

Ms. TIERNEY. Good morning, Chairwoman Richardson, Ranking Member Rogers, and Members of the committee. I want to thank you for the opportunity to testify on the important subject of the future of GPD.

My name is MaryAnn Tierney, and I am the director of emergency management in the city of Philadelphia. Today, I am going to discuss with you the role of FEMA regional offices and the need for coordination and consistency throughout the grant-making process, as well as several aspects of the Homeland Security Grant Program managed by GPD.

To the extent possible, Federal departments, State administrative agents, and applicants should synchronize their efforts. For example, agencies like DHS, HHS, and DOJ should coordinate grant guidance to ensure funding supports National priorities and is mutually complementary. In addition, applicants should be jointly reviewed to avoid funding that is duplicative or working at cross purposes.

Similarly, SAAs within the State should be required by their funders to meet, discuss, and together review applications and monitor project implementation. Applicants should be required to undergo similar coordination activities.

For example, equipment purchased, regardless of funding source, should be governed by similar requirements, such as the use of an authorized equipment list. The DHS authorized equipment list identifies equipment meeting specific standards that may be purchased utilizing DHS grant funds and insures operability, especially for highly technical equipment used for emergency communications. Currently, the use of such a list is not required by all Federal departments. This could result in purchasing communications equipment that does not meet interoperability standards and, therefore, might not work with communications equipment purchased with other grants.

I have attached a copy of FEMA's May 2009 report to Congress that is an excellent roadmap for improving the grant-making process. This report's recommendations emphasize the need for coordination amongst all parties and offers options for how this can be achieved.

FEMA regional offices that are properly staffed and adequately supported by GPD can enhance the overall grant-making process on a micro level. However, this must be coupled with centralized management and macro-level coordination across regions to ensure consistency.

Regional offices can serve as conveners, facilitators, and possibly the primary point of contact for grants, provided there is centralized management and monitoring of policy interpretation and im-

plementation. Guidance should be developed that creates boundaries and allows for flexibility to accommodate the many unique needs of applicants. Similar guidance should be provided to SAAs to ensure grant programs are being implanted as intended and consistently within a State.

GPD should be commended for issuing Information Bulletin 336, which provided a logical and balanced policy for utilizing grant funds for sustainment. However, GPD should revise Information Bulletin 329 and develop a more manageable process for environmental and historic preservation review. Construction, which typically prompts an EHP review, is not an allowable activity under the Homeland Security Grant Program. Rather, most projects involve equipment, purchases, and professional services contracts.

More needs to be done to facilitate funding for projects over multiple grant periods. Currently, projects can be funded for a given grant period but are assigned an artificial end date to coincide with the expiration of the grant, which may or may not match the actual end date of the project. This can complicate strategic planning and may result in a more expensive project.

It is essential that management and administration funding be sufficient to meet the need to manage projects and the back-office activities that bring those projects to fruition. For example, the Philadelphia urban area may be juggling up to \$60 million at any given time. Organizations of this size cannot function like a mom-and-pop pizza shop. We use M&A funds to retain professional staff and also provide for a fiscal agent to ensure that grant reporting requirements are met and grant funds are spent appropriately.

I want to emphasize that the GPD programs provide an enormous opportunity to improve preparedness. For example, the Philadelphia urban area has invested over \$20 million in the development of a four-State, 11-county interoperable communications systems, known as SECOM Net. This network patches existing radio systems together through a network of secure microwave communication towers. Whether you are in a 911 center, an emergency operations center, or at the scene, you can communicate with any response organization, regardless of their location in the region.

The value of SECOM Net is both in the technology provided and the governance structure established to plan, manage, and maintain the network. It is an excellent example of improving preparedness by coupling planning with resources provided by the GPD programs.

In conclusion, solely examining GPD and its role in the grant-making process can create the false impression that tweaking one cog in the wheel will enable the Nation to better counter threats and respond to emergencies. Coordination beyond GPD is necessary. Likewise, the grant-making process can be enhanced by connecting central management to regional involvement.

I once again thank you for the opportunity to testify. I am happy to answer any questions you may have.

[The statement of Ms. Tierney follows:]

PREPARED STATEMENT OF MARYANN E. TIERNEY

JUNE 29, 2010

Good morning Mr. Chairman and Members of the subcommittee. I want to thank you for the opportunity to testify on the important subject of the future of the Federal Emergency Management Agency's (FEMA) Grant Programs Directorate (GPD). My name is MaryAnn Tierney and I am the Director of Emergency Management in the city of Philadelphia. I have been in this position since November 2006. Prior to that, I was the Assistant Commissioner for Planning and Preparedness with the New York City Office of Emergency Management where I worked from 1999 until 2006. Attached to this testimony is a detailed biography for your reference. Today I am going to discuss with you the need for coordination and consistency in the grant-making process as well as the potential role of FEMA Regional Offices in this process. Additionally, I will provide testimony on specific aspects of the Homeland Security Grant Program (HSGP) managed by the GPD. Lastly, I will explain how the Philadelphia Urban Area Workgroup (UAWG) sets priorities and will highlight a project that has been funded by the HSGP. To the extent possible given regulatory and/or statutory constraints, Federal departments, State Administrative Agents (SAA), and applicants should coordinate their efforts at every step of the grant-making process to more effectively prepare the Nation to prevent, respond to, recover from, and mitigate threats and risks. At the Federal level this should involve coordinating the development of grant guidance between agencies like the Department of Homeland Security (DHS), the Department of Health and Human Services (DHHS), and the Department of Justice (DOJ) to ensure that funding supports National homeland security and emergency preparedness priorities and is complementary towards one another. Additionally, during the grant application review process, jurisdictions or their component agencies should be required to detail all actual or potential funding sources. Applicants seeking multiple funding sources should be reviewed through an interagency process to ensure funds are not working at crosspurposes nor are duplicative.

I have attached to my testimony a copy of the "Interagency Report on Preparedness Grant Programs." This report was provided to Congress by FEMA in May 2009. While I find the entire report to be an excellent roadmap to improving the grant-making process, I want to draw your attention to the following recommendations:

- *Recommendation 4.*—Coordinate across Federal agencies during program development to set clear, coordinated goals for preparedness-related programs that: (a) Support recipients' development of clearly defined goals and milestones for use of awarded funds and (b) facilitate the measurement of recipient performance and program outcomes.
- *Recommendation 5.*—Coordinate across Federal agencies to: (a) Apply consistent evaluation standards to the evaluation of program progress and end results, and (b) account for the resources and effort needed to sustain capabilities.
- *Recommendation 8.*—Federal agencies should improve pre-award information sharing about requested, pending, and awarded grants to facilitate greater transparency of programs, reduce the data entry burden for applicants and recipients, and allow awarding agencies to make more informed allocation decisions.
- *Recommendation 9.*—Congress should authorize Federal agencies to streamline the grants coordination process through official agreements such as Memorandums of Understanding.
- *Recommendation 11.*—Coordinate across Federal agencies administering relevant homeland security programs to agree on the use of a standardized format and structure for guidance and reporting requirements, specifically inclusion in guidance of: (a) An acronym and definition list, (b) clear language defining application, reporting, and performance expectations, and (c) a multi-agency list of relevant homeland security grant programs.
- *Recommendation 12.*—Coordinate across Federal agencies to provide a consolidated public resource of information related to homeland security grant programs such as application forms, reporting materials, and program requirements. If this capability is not developed in Grants.gov, departments that administer relevant grant programs should provide on their public website a consolidated source of related grant program information, including all relevant resources on Grants.gov, guidance, application and reporting requirements, related documentation, and systems used by recipients to submit this information. Similarly, the SAAs for different grant funding streams should be required by their funders to meet, discuss, and develop multi-agency State strategies as well as conduct an interagency process to review applications and monitor program

and project implementation. Lastly, applicants should be required to undergo similar coordination activities in the development of applications and in the implementation phase of programs and projects.

For example, equipment purchased, regardless of funding source, should be governed by similar requirements, such as by requiring all grant funding sources utilize the Interagency Advisory Board Standardized Equipment List (SEL) or the DHS Authorized Equipment List (AEL). The DHS AEL identifies which equipment may be purchased utilizing DHS grant funding and ensures that equipment purchased meets specific standards. The use of standards ensures equipment can be made interoperable. This is especially important when equipment is highly technical, such as communications equipment. Currently, the use of such a list is not required by all Federal departments' homeland security or emergency preparedness grant programs. This can result in purchasing communications equipment with one grant that does not meet industry standards for interoperability and therefore cannot work with communications equipment purchased with another grant.

Recommendation 10 of the "The Interagency Report on Preparedness Grant Programs" supports this by stating, "Federal agencies should work jointly to develop robust national standards for describing the functionality and performance characteristics of preparedness resources and capabilities for use by relevant homeland security grant programs to enable cross-program coordination." I do not advocate handing over the grant-making process to FEMA Regional Offices. This will result in a haphazard and disjointed system that will frustrate SAAs and applicants alike. I do believe that FEMA Regional Offices properly staffed and with adequate support from GPD, could add substantial value. FEMA Regional Offices provide an opportunity to enhance the grant-making process on a micro-level. However, this must be coupled with centralized management and macro-level coordination across regions. It is important that the grant-making process be centrally managed, with input from FEMA Regional Offices, to ensure consistency. FEMA Regional Offices should serve as conveners and facilitators for many of the multiparty coordination groups I described above during various steps of the grant-making process. Additionally, FEMA Regional Offices maintain the day-to-day relationships with stakeholders and should serve as the primary point of contact for grants, provided there is centralized management and monitoring of policy interpretation and implementation. A tool to ensuring consistent application of policy would be to develop and provide implementation guidance and options that creates boundaries for FEMA Regional Offices to operate in and allows for flexibility to accommodate the many unique needs of applicants. Similar implementation guidance and options should be provided to SAAs to ensure grant programs are being implemented as intended and consistently within a State. Recommendation 13 of the "The Interagency Report on Preparedness Grant Programs" supports this by stating, "Federal agencies should provide more consistent training and technical assistance offerings to recipients and Federal staff who administer programs in the areas of technical/information technology needs (e.g., Grants.gov training) and grants management (e.g., program management), including sharing of best practices within and across programs and agencies." I would like to now turn from policy and process-oriented comments to specific aspects of GPD managed grants. GPD should be commended for issuing Information Bulletin 336, which provided a policy for utilizing grant funds for sustainment. The policy is logical and balanced. GPD should revise Information Bulletin 329 and develop a more manageable process for environmental and historic preservation review. The policy adopted is similar to the one utilized by another FEMA grant program—the Public Assistance Program. Since the Public Assistance Program typically involves construction projects, a very rigorous process is in place to ensure environmental and historic preservation considerations are addressed. Construction is not an allowable activity under HSGP, and most projects involve equipment purchases and professional services. Projects funded over multiple grant periods should be addressed. Currently, projects can be multi-year within a given grant period, but it is as if a wall exists at the end of that grant period and a project is assigned an artificial end date that may not match the actual end date of the project. This prevents applicants from the kind of strategic thinking many in the field advocate for.

The last specific component of HSGP I want to address is funding for Management and Administration (M&A). The Philadelphia Urban Area utilizes M&A funds to properly manage the tens of millions of dollars that are received. This includes having professional staff on hand to manage the work of the UAWG and assist stakeholders with managing and executing projects as well as retaining a fiscal agent to ensure that grant reporting requirements are met and grant funds are spent appropriately. Organizations like this cannot function like a mom-and-pop pizza shop. In business terms, they are multi-million dollar operations that require

competent staff and robust systems. To provide perspective, in any given year at least three grant periods are open. For the Philadelphia Urban Area, that can mean juggling up to \$60 million dollars in various stages of being utilized, from bidding to closeout. It is essential that M&A funding be in place to ensure an operation like this does not falter, and that the funding equal the need to manage the many programs and projects as well as the back-office activities that bring those programs and projects to fruition. With all that said, I want to emphasize that grants programs like those managed by the GPD provide an enormous opportunity to improve preparedness. I have seen first-hand the incredible leaps forward that have been made to build capabilities in a thoughtful and judicious manner. The Philadelphia UAWG is organized around discipline-specific workgroups that develop and execute projects and an Executive Board that provides oversight and coordination. The annual HSGP application is developed through a process that emphasizes building on existing programs and projects, while allowing for worthwhile innovations to surface and receive funding. The Executive Board aligns its priorities with National priorities and prioritizes funding programs and projects that address these priorities. Further, the Philadelphia UAWG emphasizes regional partnership and collaboration, with some projects involving up to four States and eleven counties in the greater Delaware Valley region. The project I want to highlight involves the development of a multi-State, multi-county interoperable communications network, known as SECOM Net. Since 2002, the Philadelphia UAWG has invested over \$20 million to build and enhance interoperable communications capabilities. SECOM Net allows eleven counties in four States to communicate on a secure microwave network. This communication can occur between 911 Centers, Emergency Operations Centers, or person-to-person on the scene of an emergency, through the microwave network that patches together existing radio systems. Currently, SECOM Net is integrating the communication networks of university police departments and port partners. Future plans for SECOM Net include a capability to transmit data in addition to voice. The value of SECOM Net is not just in the technology that has been purchased, but also the governance structure that the Interoperable Communications Workgroup has established to plan for, manage, and maintain the network. It is an example how thoughtful planning coupled with funding to resource what is needed can lead to improved preparedness.

In conclusion, solely examining GPD and its role in the grant-making process can create the false impression that tweaking one cog in the wheel will enable the Nation is to better counter threats and respond to emergencies. As I have described above, the nature of homeland security grants is complex and requires coordination beyond DHS to include other Federal departments, the SAAs, and the applicants themselves. Likewise, central management is not the enemy. Centralized management can be enhanced by closely connecting regional involvement to the grant-making process. Lastly, the revision to the maintenance and calibration policy is an example of how GPD can effectively respond to the concerns of applicants while remaining careful stewards of taxpayer dollars. The environmental and historic preservation policy is an example of where more needs to be done to balance those needs. M&A is a valuable tool that allows grantees to focus on work rather than paperwork. A more stable funding process tailored for projects that span multiple grant periods would allow applicants to think more strategically about how and what is funded.

Once again thank you for the opportunity to testify, I am happy to answer any questions you may have

Ms. RICHARDSON. Thank you very much for your testimony.

I want to thank all the witnesses for your testimony, and remind each Member that he or she will have 5 minutes to question the panel. I will now recognize myself for 5 minutes.

Votes have been called, and we have approximately 13 minutes plus the time to get there. What I would like to do is myself and Ranking Member Rogers through in these first 10 minutes, and then when we come back the Members would be first up, which should only take about a 20-minute vote, if everyone is in agreement.

Okay. The first question I would like to ask is for Ms. Harman. I am only going to take 2 minutes; maybe then we can get more people through.

Ms. Harman, you heard some of Ms. Tierney's very direct suggestions, as well as our chief. Are you willing to consider looking at their suggestions and getting back to us in writing your responses on ways that you might incorporate them?

Ms. HARMAN. Absolutely.

Ms. RICHARDSON. Okay. Thank you.

My second question has to do with regionalization. Ms. Harman, Chairman Fugate announced back in July 2009 this whole idea of regionalization. I really want to get a sense from you what is really the objective that we are attempting to reach by conducting regionalization. What is the problem that you are anticipating solving?

Ms. HARMAN. I don't see any problems quite yet, but what I see us doing is strengthening FEMA as a whole. We are—and I will quote Administrator Fugate, as he speaks—FEMA is one part of a team that ultimately plays in this large scale of responding to disasters, providing assistance, helping build capabilities. We are one part of that. We have 10 fingertips, 10 regions, to extend and provide customer service to our grantees and stakeholders. I don't think those have been used effectively and efficiently in the past.

I think we can strengthen them. I think we can provide the rules and tools at our headquarters. With the proper, training, outreach, monitoring, and mentoring with our FEMA regional partners, I think you will see better customer service in the end to the States, to the transit folks, to the port authorities as well.

Together, if they can conduct the monitoring and the boots on the ground within the regions, we can gather much more data to provide up to us to help us better assess where we are and how prepared we are.

Ms. RICHARDSON. Ms. Harman, I just heard what you said. I stayed up until 1:00 in the morning reading all this information. I still don't think, though, you have answered the question.

Ms. HARMAN. Okay.

Ms. RICHARDSON. I think everyone would pretty much agree that, from a regional perspective, it would clearly be more helpful, if a disaster occurs, to have the people who have the authority to respond. We all agree with that.

What we are talking about specifically is the grant program. If you are mentioning regionalization in terms of monitoring and making sure the dollars are being spent where they should, we all agree with that. However, we are talking about the very basics of sending out an application, reviewing an application, and determining the dollars.

Is that something that is best placed in a regional perspective? Could you answer that question very directly?

Ms. HARMAN. Sure. We actually have a working group that is going to be put together and will be kicking off later, mid-July—it will be a conference call—and have a face-to-face meeting August 3 through 5. That will consist of one member from each region, as well as stakeholders, if we can, and headquarters personnel.

The grant process is a very long process, and I don't think the entire process is well-suited to be placed in the region, whereas parts of it may be more appropriate, whereas the drafting of the guidance, creation of guidance, application period, peer-review process, possibly all the way up through award could occur within

headquarters. The beginning of that process could have a lot of interaction with our regional partners, but maybe we take care of the award at headquarters.

Once that award is given and the proper tools and staffing and resources within each region, that could then be handed down to the regions to be that first point of contact for any grantee if they have questions on their grant—what the guidance means, what their investment justifications mean and how they go about attaining that and meeting what they said they were going to do in the grant.

So I don't see a whole piece of every grant program—the whole entire package. I see pieces of it, in a partnership fashion.

Ms. RICHARDSON. Ms. Harman, I might suggest that—you said you may include a stakeholder. I would suggest that you do.

Ms. HARMAN. We would like to, yes.

Ms. RICHARDSON. The other point I would make is, keeping in mind what the AG's comments are I think would be most helpful.

Mr. Rogers, I will recognize you for 5 minutes.

Mr. ROGERS. Thank you, Madam Chairwoman.

Ms. Harman, you talked about 98 percent of the vacancies that you have in the Department are now posted.

Ms. HARMAN. Correct.

Mr. ROGERS. How many vacancies is that?

Ms. HARMAN. We were just under 50. I can get you that exact number. Roughly 25 percent of our workforce of 192 full-time personnel, almost 50, in the high 40s.

Mr. ROGERS. Is there a particular sphere where those vacancies occur? Is it management?

Ms. HARMAN. Unfortunately, they are throughout. Right now, I am significantly lacking some senior management. We are missing—our deputy assistant administrator left not long after I came on-board, as well as several significant leadership positions, branch chiefs, within our Financial Division left.

Mr. ROGERS. The mid-level, upper-level management positions throughout the Department have been problematic, keeping those people.

Ms. HARMAN. Right.

Mr. ROGERS. What unique challenges do you think you are going to face in trying to get people of the caliber you want to fill those positions and retain them?

Ms. HARMAN. Right. It is an interesting concept, coming in and looking at the management style that has been used in the past. From my perspective, it has been a very top-down approach with management, leading to some of the vacancies, I believe. I don't think our employees have been empowered. I don't think they have been given the opportunity for continuing education, for training, to have more of an engagement in the process, understanding what that is; which then, of course, leads to morale.

So it is a vicious cycle that, right now, we are trying to break. We are very fortunate to have the support of FEMA leadership. The first week I came on-board, I met with our HR department. Vacancy announcements were posted. All, I think, but four positions were posted within the first 2 months. Everything now has

been posted. I have a full day of interviews scheduled tomorrow with the rest of the staff.

I am very pleased to see that. We have support all the way up through the DHS leadership, as well, on that.

Mr. ROGERS. I know, throughout the Department, employee surveys on job satisfaction are done. What is the most recent time that surveys were done in your Department, do you know?

Ms. HARMAN. Within the directorate, I can't answer that. I can get back to you on that. But there has been one done within FEMA, organization-wide.

Mr. ROGERS. Since you have been there?

Ms. HARMAN. Yes. We have had an opportunity to—we were asked to give time for our staff to take an hour out of their day to provide comments on where FEMA is going.

You see a lot of similarities across directorates, where, you know, most of the time, the employee is not really familiar with: What are my roles and responsibilities? Truly, what am I charged with?

Mr. ROGERS. So you have had a chance to have that information presented to you and review it?

Ms. HARMAN. Yes. Yes.

Mr. ROGERS. Okay. Good.

Ms. HARMAN. Additionally, we have also had two additional workforce analyses conducted within the Grant Programs Directorate, and I am working with that data, as well.

Mr. ROGERS. Again, we see this consistently throughout the Department. I would be very interested in, during your period of time there, to see that done annually so that you can start trying to track shortcomings. Because we see a lot of institutional knowledge go out the door as we lose these mid- and upper-level people, and we have to figure out how to keep them.

Ms. HARMAN. Agreed.

Mr. ROGERS. One other point before I let my time go. I represent a rural Congressional district. As you know from being a former firefighter, most rural areas of the country depend on volunteer departments. In fact, in my Congressional district, the overwhelming number of first responders are volunteers. They depend heavily on these DHS grants.

Can you talk to me about that area of the grant process and what you see are its shortcomings and what we can do to make sure that those needs are met?

Ms. HARMAN. Sure. As you know, the majority of the funding that comes out of the Grant Programs Directorate goes through the State Homeland Security Grant Program, the UASI Program. Those dollars go directly to the State administrative agency, as designated by the Governor in each State. Those SAAs are required to work within their State to identify areas of greatest need of where those dollars should go.

Unfortunately, at times, what happens and what has been brought to my attention and from my experience in the past is that those small, rural areas are sort of left out. They don't have a seat at the table. They may not be in an area of high risk. They may not be a high priority for that particular State.

It is important for us and in my position now to teach individuals like that and organizations how to leverage existing dollars that

are out there. You have the State Homeland Security moneys and the UASI moneys that I mentioned, but you also have an AFG program which bypasses the State. So there are pros and cons to that—

Mr. ROGERS. How are you going to teach them?

Ms. HARMAN. It is a lot of outreach. A lot of it is relationship building. A lot of it is having a seat at the table.

I have had an opportunity to be at a lot of different conferences now and speak. You hear from the folks who have money, and then you hear from folks who don't have the money. It is—they don't have a seat at that table. I ask them, are you at the table when the State is making the decisions on where those dollars are going? Most of the time, they don't. They need to have that.

Mr. ROGERS. Good. Good answer.

Thank you, Madam Chairwoman. I yield back.

Ms. RICHARDSON. Thank you.

I gave back 50-plus seconds on the time. The Chairwoman will now recognize other Members for questions they may wish to ask the witnesses. In accordance with our committee rules and practices, I will recognize Members who were present at the start of the hearing, based on seniority of the subcommittee, alternating between the Majority and Minority. Those Members coming in later will be recognized in the order of their arrival.

The Chairwoman will now recognize for 5 minutes the gentleman from New Jersey, Mr. Pascrell. But please keep in mind, we are down to 3 minutes and 52 seconds left to vote. Although, 300 Members have yet to vote.

Mr. PASCRELL. Thank you, Madam Chairwoman.

Ms. RICHARDSON. Absolutely.

Mr. PASCRELL. Assistant Administrator Harman, it took us a long time to get people who are involved, both policemen and firemen, in homeland security. So we decided to finally go bottom-up. Therefore, I am thankful that you are in the position that you are in, being both a volunteer and career firefighter.

Ms. HARMAN. Thank you.

Mr. PASCRELL. So I am sure you will appreciate the question I am going to ask.

Ms. HARMAN. I will let you know. Thank you.

Mr. PASCRELL. The homeland security grant activity receiving the largest cut in the—you knew what I was going to ask—fiscal year 2011 budget proposal are the two firefighter assistance grants—probably, according to third-party evaluations, two of the most efficient, proficient programs in the entire Federal Government.

Ms. HARMAN. Uh-huh.

Mr. PASCRELL. You are agreeing with me?

Ms. HARMAN. I would agree with you on that, yes.

Mr. PASCRELL. I mean, we worked it out that way. The staffing for adequate fire and emergency response, the SAFER Act, and the Assistance to the Firefighter Grant Program, AFG, that collectively the two programs would receive \$610 million. That is \$200 million less than in fiscal year 2010. We are going backwards.

We fought so hard, Members from both sides of the aisle, both sides, to make sure that this was an adequate response. Consid-

ering you get about \$3.5 billion in application, we are definitely going backwards.

I want you to explain to the committee the agency's decision to cut the money.

Ms. HARMAN. Thank you for your question.

Although I was not present and have been on-board about 3½ months now, unfortunately I did not have the opportunity to participate in the budget process and the submission process on that.

As I understand, the budget that was submitted from FEMA was higher than prior years' submissions from FEMA. But, still, that is less than what is being asked for by your committee. That is something I can certainly look into in the future. I am not sure, I haven't been educated on that process yet, but we can certainly look into that.

Mr. PASCRELL. Madam Chairwoman, I think this is of great importance for people on both sides of the aisle who have made this a major priority. We should be funding the programs that are efficient and proficient and looking at those programs that aren't working well.

Here we have the biggest—going through the programs that are doing the best. This is peer-oriented. We save a lot of money in doing that. It has been fair. We don't have the usual rural-versus-city flak. I mean, this, from the very inception, has been done the way it should have been done, the way all programs should be done. No politics are involved since Congressmen like myself cannot get involved in its evaluations.

What are we doing? It makes no sense. So I would like for you to go back and tell your superiors that it makes no sense.

Ms. HARMAN. Yes, sir. Will do.

Mr. PASCRELL. Thank you very much.

Thank you, Madam Chairwoman.

Ms. RICHARDSON. Thank you, Mr. Pascrell.

In light of the fact that we now have 17 seconds to vote, but 200 Members have yet to vote, the committee will stand in recess to allow Members to vote on the floor. I believe we have two votes before us. The committee will reconvene in 10 minutes, after the conclusion of the last vote in this series of floor votes.

[Recess.]

Ms. RICHARDSON. The hearing will come to order.

I recognize myself for as much time as I might need to go through several questions.

First of all, Ms. Harman, I want to come back to a couple of things. We were a little rushed because votes were called, and I want to make sure for the record some things were clear.

Mr. Pascrell was stating to you his concern of the cuts, regarding specifically the firemen programs. Your response was, was that the overall budget was suggested to be increased for DHS. But I don't think you really answered the point of his question, which was, specifically, as we move forward, do we have an understanding from you of the value of the firemen grants section and an understanding that you will work with us to ensure that those levels stay at the appropriate full-year 2010 numbers as we move forward?

Ms. HARMAN. Yes. I will do my best for that.

Ms. RICHARDSON. Thank you.

Again, I wanted to be clear that Ms. Tierney, I think, spent a lot of good time going through some specific, very basic things that could be done to improve what is happening for the first responders and stakeholders. You committed to going through that. The chief also laid out several options for you to consider, and you said you would get that back to the committee in writing.

Ms. HARMAN. Yes, I will.

Ms. RICHARDSON. I also wanted to come back to he mentioned that Tier I has experienced a decrease in funding, however in the second tier there has actually been an increase. Can you give us any thoughts as to why that is happening and how we can expect that to revert back to its original goals?

Ms. HARMAN. Sure. As you are aware now, the UASI pot of money is a static pot of money right now. The budget that is being proposed for next year, I believe there is not any significant increases or decreases. The formula that is looked upon for all of the UASI cities—there are currently 64—is being looked at for the fiscal year 2011 cycle. Actually, all risk formulas across the board will be looked at to ensure that they are clear, solid business processes, and risk is truly a factor. There is currently fresh data that is being used to associate risk with each city as it is on there. The Secretary has asked us to look at those risk formulas, and then there will be a determination made on the 64 cities that are currently on there on how that is going to fall out.

Ms. RICHARDSON. So will you follow up with the chief to give an understanding of why it was down in this last year and how we can ensure that that doesn't happen again? When we talk from a risk assessment, there really isn't a larger problematic area in terms of ports and water treatment facilities and the many other issues that we have in that particular area.

Ms. HARMAN. Sure. We can work together on that.

Ms. RICHARDSON. Okay. I also wanted to clarify for the record what has been of much question for this committee is the regionalization. As I understood you to say, before I gave back my time trying to allow for other committee Members, you did not see the regionalization rollout to include the actual granting of the awards or the reviewing of the awards and that it was done more from a monitoring perspective. I don't want to put words in your mouth, but could you re-clarify for the record what your thoughts are at this point?

Ms. HARMAN. Sure. I certainly, as the Assistant Administrator for the Grant Programs Directorate, have a vision of how I would like to see it, but it is important for me also to hear from the working group that is being put together on really, truly what is feasible and what is going to work.

I think if you were to graph out the grant process from the drafting of the grant guidance all the way out through closeout and all of those different boxes in there, I think there are parts of that that belong at headquarters, there are parts of it that are shared, and there are certain parts that belong in the regions. Up through and including award, I believe the majority of those functions should stay at headquarters to allow us to maintain standardization, provide rules, and tools.

We certainly will have to have interaction with the regions when it comes to the applications and the States as they are applying and they are writing their investment justifications, we go through peer review processes on the various programs. It is important for them, because they do have that boots-on-the-ground perspective of what is going on in those States in the regions that they are responsible for to provide us some clarity on where we are going in the grant programs.

But up and to award, there are a lot of administrative processes, including Congressional notifications and things like that that are probably more suited to stay at headquarters. I think once that award is made, it goes out to the regions, we provide the rules and tools saying, hey, these are some new grantees, or here are your high-risk grantees, or here are folks that you really need to monitor this year. We sort of tier that and help them in that approach so that they can truly be that face-to-face contact with all of the grantees.

So that is just my concept. We will be able to solidify that through the work of the working group.

I have had an opportunity talk with all of our 10 regional administrators about 2 weeks ago in Boston at their meeting. They are very open to this. They are very excited about the fact that we are including them in the process and having them help drive where this goes. So I think that is important. But that is my concept, but I want to hear from the stakeholders and the working group.

Ms. RICHARDSON. Ms. Richards, based upon what Ms. Harman has just laid out, what would be your thoughts on that in light of what you have already considered?

Ms. RICHARDS. Well, as you know, we haven't had a chance to look at what FEMA's working group hasn't put together yet. Without the blueprint that they put together of how they are going to regionalize, I am really not in a position to offer comments on their regionalization plan.

In general, regionalization, as Ms. Harman has described it, is very feasible from our point of view, but until we can see the details, I really cannot form an opinion of how well it would work.

Ms. RICHARDSON. So at what point, Ms. Harman, do you anticipate releasing this information? I think in my notes it said there is going to be a rollout in July, which is next month.

Ms. HARMAN. We solicited to the regional administrators to provide us one name from each region. We are still selecting input from specific personnel within the grant program directorate of who is going to participate on that, as well as trying to identify our stakeholders in that as well. There will be a conference call scheduled in late July, so that the working group should be put together by mid-July, conference call late July, face-to-face meeting August 3-5. I believe that region 9 has offered to host that for us. I see them getting together, putting this information together, and hopefully we can start rolling out for fiscal year 2011.

Now, what that rollout means is up to the working group. We are still working with resource deficiencies, staffing deficiencies, so I don't see any need to rush any of this. I want to take a very slow, methodical approach so that everyone has an opportunity to provide input on where this should go, how it should go, what pro-

grams should go to the regions, at what time should they go to the regions. It is really much a work in progress right now; and if I can work with you and your staff, I would be more than happy to do that.

Ms. RICHARDSON. Well, Ms. Harman, if you could provide the committee at least a preliminary rollout, that you anticipate so that we can, as we interact with you in the upcoming months, continue to have this discussion that would be most beneficial.

But let it be said that, from my perspective at least, regionalization from the response perspective, I completely concur; from a monitoring of grants, I completely concur; but from everything other than that, I do not. So, hopefully, we will see the working group echo those concerns and we will see that reflective in your policy.

Out of respect for Mr. Cleaver, who was here earlier, I am going to recognize him for 5 minutes; and then return for my last questions.

So Mr. Cleaver from Missouri is recognized.

Mr. CLEAVER. Thank you, Madam Chairwoman.

Ms. Richards, and maybe to some degree the chief, I am a former mayor, and mayors do not appreciate, no matter what political affiliation, the fact that money flows from Washington to State capitals. In fact, we would like to have Governors eliminated from the plan. What generally happens is that the money goes into the State; and, unlike cities, the States may have multiple departments that handle Homeland Security issues but the question is always standards. Is there something that we can do that would make sure that even if a State has two or three different State departments deal with Homeland Security issues that they operate with the same standards that come from the Homeland Security office or FEMA office here in Washington?

Ms. RICHARDS. That is one of the barriers that we recognize in our report, that in some States they don't have a coherent view that would allow all the players from the State to have a seat at the table to apply for and receive the grant money. I don't have an answer for you on how to fix that, but we have recognized that as a barrier and have tried to work with FEMA to help them work with the States to try and clarify the situation as well as FEMA can through its guidance on how the monies are to be distributed.

Mr. CLEAVER. Chief, do you find that there is a question in California where Sacramento is operating the grants program but they may have three different departments involved?

Mr. PATALANO. In the State of California, they do have a fairly robust Office of Emergency Services that manages the grant programs. However, we do see that there is a little bit of a disconnect between several of the groups that are involved in that process; and certainly several of the larger UASIs have recommended or suggested that direct funding to Tier I UASIs might be a way to limit the burden on the State and also improve the efficiency of the program.

Mr. CLEAVER. Ms. Harman, realizing that this is an issue—or maybe it is an issue for people like me but maybe not all over, but do you have any suggestions on what we can do to standardize the

way State departments function so that there won't be inconsistencies?

Ms. HARMAN. Sure. As I shared with Mr. Rogers today, a lot of it has to do with building those relationships at the State level and having a seat at the table. There is only so much that the Federal Government can do within particularly the grant program directorate under the guidelines that are set forth in the legislation of specifically who gets the money and then providing the guidelines of how that money should go down. We want to do our best to allow States the flexibility to identify their own unique risks within their State and learn to build the capabilities specifically that they need.

For example, if you are in one State, maybe you don't have an earthquake problem, you may not have hurricane problems over here. We want to give them flexibility to do that. Then in turn it becomes a balancing act to make sure that they do have the proper people at the table. But without forcing them to do that—which I am not sure if that is something we could do or should do—I don't think it would be well received from the grantees and the stakeholders as they continue to ask for flexibility with their grant dollars. I have to ask them continually, please have a seat at the table, request people to have a seat at the table, and for those who are not getting funding, go find your seat at the table.

But I think we can do a better job of showing people and teaching people how to leverage existing dollars out there that aren't necessarily Homeland Security dollars. They may be coming from HHS, DOT, DOE. There are a variety of grant dollars out there that if you can't get one from one spot you can get it from the other, and I think we have a responsibility to show our stakeholders how to do that until there is a different type of system under which we are working.

Mr. CLEAVER. I don't know whether we can dictate to States either. I don't think so. But it is an issue that I think deserves some attention.

One final question, and it is related to the number of contractors compared to the number of employees. Now, there has been suggestion that we have one for one, but that is not in concrete.

Ms. HARMAN. I have not heard that suggestion. I believe the grant program directorate has 192 full-time Feds that are authorized. As I mentioned before, we are missing just under 50 of those, which I am hoping to bring on board, and hopefully no one else leaves. We will try to fix that, too.

Contractor-wise, we are about 210 contractors. We have been asked by the division of our administrator, Fugate, to build a workforce, build a team, allow people to come in at lower GS levels to build that institutional knowledge so that one day they are the folks running the show and have senior management.

We have been asked to insource as much as possible. We have begun that effort with several different contracts that we see to be long-term contracts of supporting mechanisms, where we will convert those folks into Federal employees, and there is a cost savings to that. So you will see that FEMA-wide.

Mr. CLEAVER. Thank you. I yield back, Madam Chairwoman.

Ms. RICHARDSON. Thank you, Mr. Cleaver.

Coming back to the staffing question and following up with Mr. Cleaver, contractors you said approximately 210, and regular Government staff you only have 192. So, clearly, that builds not just to the rumor but to the fact.

Ms. HARMAN. Sure.

Ms. RICHARDSON. The second question I would say, out of the 50 vacancies, how many of those would you see being in the region?

Ms. HARMAN. The current vacancies are vacancies within the Grant Programs Directorate. There are vacancies within each region. Of course, there are additional resources that will be needed in each region. We have been asked by Deputy Administrator Serino to provide positions to the regions.

Ms. RICHARDSON. How many?

Ms. HARMAN. A total of 15 from the preparedness, from the PNP. I believe from ours was six positions from within the Grant Programs Directorate, and I believe that was offset because of the number of contractors that we are going to be insourcing.

Ms. RICHARDSON. So, according to my notes, the regions currently have a total of 65 staffers with the role of preparedness and grant management administration. Is that correct?

Ms. HARMAN. I can get back to you on that. I don't have the specific numbers.

Ms. RICHARDSON. Well, then, according to the—I think it was the Governors—wait a second—well, I believe Ms. Richards and then there is another group that had also highlighted that, currently, with the regions with their own existing assignments—okay, at the request of Congress, the National Academy of Public Administration, NAPA, initiated a panel in October, 2008, to evaluate FEMA's efforts to build robust regional offices. NAPA surveyed the regional staff and found that regions themselves felt that they did not have the staff or expertise necessary to fulfill their current grant management duties. Further, regions indicated that there were lengthy delays in receiving guidance from FEMA headquarters on how to implement their grant responsibilities.

Ms. HARMAN. Sure. I am not familiar with that report.

Ms. RICHARDSON. So what would you say to that in light of your vacancies that you have and in light of the potential of additional responsibilities that you are seeking to put on if already they felt they couldn't do the job?

Ms. HARMAN. Sure. What I like about our regions is they are very engaged in the FEMA mission and what we are there to do. The enhancements of customer service to our stakeholders is very important to everyone. So I want to be sure when we are regionalizing and we are giving more responsibilities to the regions, it may not occur in every region at the same time because of the resource issues, because of the staffing issues, because of the current physical space issues.

We are going to have to take a very slow, almost customized approach to build up to true regionalization and what it is that we define as regionalization, again, whether that is every grant program, some grant programs. But the resources have got to be taken into account to do that. Otherwise, we are just going to provide poor customer service.

Ms. RICHARDSON. Ms. Richards, what do you view as the problem for the grant drawdown?

Ms. RICHARDS. Insofar as the grantees being able to receive the money?

Ms. RICHARDSON. Yes.

Ms. RICHARDS. I don't have any specifics with me today. I would have to get back to you on that.

Ms. RICHARDSON. Ms. Harman, do you have an explanation of what the problem is?

Ms. HARMAN. Sure. On the grant drawdowns, we hear a lot of concern on grant drawdowns, that money has been obligated but has not yet been drawn down. I want to throw always caution out that the drawdown of grant dollars is not always a good indicator of performance. In cases of purchasing equipment, such as in our ASG programs where it is a quick piece of equipment, nothing has to be ordered; you don't have to go through some sort of city council procurement process or anything like that. So that goes much quicker, and the drawdown rates increase.

When you are dealing with large capital projects, such as the transit security program and the port security program, those are long-term capital projects that require lots of planning, environmental historic preservation reviews, budget reviews, constantly a lot of negotiations and working with our partners to figure out what is the project and how do we get to the end. And on large capital projects it is not uncommon for the majority of those dollars to be drawn down at the end of their grant period, which typically is a 36-month period of performance.

So the money is available to be drawn down usually, but we are also in a system that allows for reimbursement. So the money has to be spent before it can be requested for drawdown. So most of those capital projects, the money is not going to be spent until later on. Much of the time in that period of performance is going to be spent planning.

Ms. RICHARDSON. Chief, what would you say are some of the problems with the grant drawdown?

Mr. PATALANO. I think I would echo Ms. Harman's comments on a lot of those issues. We are doing the planning for a project that might be large scale and cover the regions, so you have to involve a lot of stakeholders in the procurement process and you have to follow each city's guidelines as the way that they procure and spend. So we are spending, in essence, the city's money ahead of time and then seeking the reimbursement once that has been done. So we don't enter into the project until the money has been awarded to us, and then we start the planning process since we don't want to plan for a project that we are not going to then institute. So that is one of the issues.

There are a lot of internal processes that have to go on with each individual jurisdiction, and so I think that adds some of the timeline that is included in the time it takes us to spend some of the projects. So we have been very supportive, and we appreciate the extensions that would go for a larger-scale project.

I think we are going to see continued problems with grant drawdowns as we move into more complex regional projects. They just take longer to do.

Ms. RICHARDSON. Ms. Tierney, did you want to add anything in terms of the grant drawdown problem?

Ms. TIERNEY. No. I would just agree with Chief Patalano that the projects that we are dealing with now are multi-county, multi-year projects that involve millions of dollars, not just buying boots and suits. So the procurement is very difficult, especially when you cross county lines. Procurement rules differ according to different counties, and that can make things more difficult.

Ms. RICHARDSON. Mr. Cleaver, did you have a second round of questions?

Mr. CLEAVER. I do have one question I would ask of Ms. Tierney and then Ms. Harman.

Can you give me one pro and one con with regard to the grants management function?

Ms. TIERNEY. I think one pro that I saw this year, I found the process to be much more efficient this year than in years past. I have been dealing with these grants for 7 years now. So I think over time, as the grant program directorate grows into its own, things are becoming more efficient and effective. I think that is one good thing, that we are seeing positive steps towards improving processes and a willingness to make changes when it is necessary.

I think one con—and I know, Chairwoman Richardson, you disagree with this to some extent—is the lack of regional involvement in the grants process. I think that on a day-to-day basis, I interact, the State interacts with people from the FEMA region, FEMA region 3; and those relationships are really valuable in terms of monitoring the projects and assisting with maybe overcoming some of these hurdles that we have discussed today. I think it is a balance that needs to be struck.

I agree that just dumping the grant program management into the regions would create a lot of inconsistency across regions and would make it very difficult to manage them centrally. So I think there is definitely a role for central management like maybe Ms. Harman said, up to award; and then, from there, project monitoring and implementation would be handled at the regional level. But I think that the regions do play a valuable role in the grants process.

Mr. CLEAVER. Thank you.

Ms. Harman.

Ms. HARMAN. Sure. With regard to pros—and we are looking at the grant programs directorate as a whole?

Mr. CLEAVER. Yes.

Ms. HARMAN. I think the pro that we have right now going for us, we have a lot of money to manage. The people that get that out the door are the people that currently work there. And, honestly, I don't know how they do what they do with the resources that we have right now, being down as many folks as we are and working with some of the multiple systems that we are working with until we can streamline that. We have some very dedicated staff that truly believe in the FEMA mission and have been there through evolving structures, through mergers, and different management styles—and I mentioned earlier, styles that I don't particularly care for that is very top down. We have folks there that believe in the

mission, want to learn, want to contribute, and want to be empowered. That is going to get us where we need to be in the end.

As far as the con, the overall grant process is a very arduous process to get grant guidance together, to have applications and systems and just getting everything out the door. There is not a whole lot we can do about it, but we can streamline where we can. But the system is the system. So it is not the best system to work in, but we do with it the best that we can right now.

Ms. RICHARDSON. I just have a few last questions.

Ms. Harman, it has been explained, and I went before the Budget Committee regarding Department of Homeland Security. I, like many Members of this committee, expressed our concern with the reduction in fire grants.

I also want to note for the record my concern of the safe port as well. It originally had \$400 million that was authorized. However, for the full year 2011, it was only requested \$300 million. Some of those same problems—and I won't go through them again—that we discussed about the fire grants are equally with the ports. I and many people view that, other than the airports, it is probably one of our greatest vulnerabilities. So to again look at cutting some of these key areas where we have had great success, where we have managed to maintain and avoid a disaster, to not see that reflective in terms of a budget priority is very concerning. So I wanted to say that for the record.

The second thing that I wanted to mention had to do with Ms. Richards' report where she talks about some of the barriers that the regions and stakeholders are finding—legislative barriers, organizational barriers, and State-level barriers to coordination. A couple of the recommendations that she provides is document-specific agency roles and responsibilities for cross-program coordination of grant application and review processes and ensure internal DHS coordination is in place. This may include establishing memorandums of agreements if roles are outside of FEMA. Have you considered that as of yet?

Ms. HARMAN. Yes, and we are actually under way with some of that, particularly with TSA, who is our partner with the transit, as well as Coast Guard. We even had an offer from the Coast Guard to provide us reservists to help us with our monitoring right now while our staffing levels are low, and we are working up an interagency agreement with them right now.

So, yes, I have directed not only TSA to be done quickly but the port and then any other partners where FEMA takes the lead on most of the grant programs, but we do require partnerships and relationships with subject matter experts. So I do intend to establish MOUs with all of them.

Ms. RICHARDSON. Okay. My final question, Ms. Harman, I have said a couple times now in hearings, and every time when I say it people are always somewhat surprised, but with you being new, I think it is important to say again, and that is the whole thing with COG, continuity of government.

When I was on the city council for 6 years, in the State legislature for 6 months, and now in Congress, no one—and I will repeat even to this day even though I have said it publicly at least three times—no one has ever said to me, if something happens, where do

I go and what do I do? No one has said that. So one of the other parts of importance within your jurisdiction is the continuity of government. When we look at the problems of what happened with Katrina, all we have to do is turn on the news right now and look at the oil spill. You've got Governors who everyone is pointing different fingers.

Where does COG fit in your grant process, and has there been a priority to understand that beyond it just being on paper that there is real work that must be done from the Federal, State, and local level to get governments all working correctly in the event of a disaster?

I had the same situation in American Samoa when we had the earthquake and the subsequent tsunami, where you have a Governor who was supposed to do one thing, and the Governor may not necessarily be the right person to make all of those decisions. So what are we doing to address COG in your grants that you have so far?

Ms. HARMAN. Sure. Continuity of government clearly is very important. We have a lot of grants to get out of the door. There might be emergencies that pop up and catastrophic events that pop up in a variety of different regions at different times; and it is important that, although there are emergencies and there are things to do there, that we are still getting grants out the door to build capabilities and preparedness in other areas of the country. We can't stop to do that. That is very, very important.

COG was one of the first things I was introduced to when I came to FEMA 3 months ago. We had an exercise at Mount Weather that executed some of that, where we tested that; and I believe you had an opportunity to visit us at that time. So it is at the top of the list of things to do. Our COG program is in the process within the grant program directorate. We are currently being updated with new personnel, names, and things like that. There has also been some training that has occurred as well.

Ms. RICHARDSON. But where specifically in the grants that are available would a local government or a State be able to utilize funding for COG development?

Ms. HARMAN. I believe COG development can be utilized under the State Homeland Security program, the UASI program. Of course, we have EMPG, which is providing emergency managers out there to plan for things like this. Of the 50-some different programs, I am sure there are a variety of others as well, but those would be the main.

Ms. RICHARDSON. If you could provide that back to the committee, what your recommendations would be, because that is an area that I plan on working on.

Ms. HARMAN. Sure, will do.

Ms. RICHARDSON. Mr. Cleaver, any further questions?

Mr. Rogers.

All right. I thank the witnesses for their valuable testimony and the Members for their questions. The Members of the subcommittee may have additional questions for the witnesses; and we will ask you to respond in a timely fashion, preferably in less than 2 weeks, in writing to those questions.

Hearing no further business, the hearing is adjourned.
[Whereupon, at 12:00 p.m., the subcommittee was adjourned.]

APPENDIX

QUESTIONS FROM CHAIRWOMAN LAURA RICHARDSON OF CALIFORNIA FOR ELIZABETH M. HARMAN

Question 1. You indicated in response to a question that the Grant Programs Directorate is forming a working group to evaluate which grant functions to shift from FEMA headquarters to the ten regions. What is FEMA's timetable for receiving, reviewing, and acting upon the recommendations made by the working group?

Answer. The working group met at the beginning of August and provided recommendations to GPD leadership. FEMA leadership approval is expected by the end of September. Once FEMA leadership approval is obtained, an implementation plan will be developed during early fiscal year 2011.

Question 2. In December 2009, Deputy Administrator Manning told the committee that FEMA, in coordination with other DHS components, was re-evaluating the risk formula that informs homeland security grant allocations. What is the status of that review? Do you anticipate any changes to the risk formula for the fiscal year 2011 grant cycle?

Answer. FEMA has been reviewing and evaluating the risk formula that informs homeland security grant allocations in coordination with the DHS Office of Intelligence and Analysis, Office of Infrastructure Protection, and the Risk Management Division. At this time no decisions have been made regarding changes to the risk formula for fiscal year 2011 grant cycle.

Question 3. In September 2009, FEMA announced that it was extending the Environmental and Historic Preservation (EHP) review process to the Homeland Security Grant Program (HSGP). In practice, this means that State and local grantees must complete time-consuming EHP reviews for all of their grant projects, even if they will have no adverse impact on the environment. The committee understands that FEMA has drafted a rule to exclude the majority of HSGP-supported grant projects from EHP reviews. When will FEMA finalize this categorical exclusion?

Answer. GPD's Grant Development and Administration Division (GD&A) has recently finalized the GPD Programmatic Environmental Assessment (PEA), which has resulted in a Finding of No Significant Impact (FONSI) for certain grant activities under all Programs administered by GD&A. The FONSI will reduce the number of projects that require an information submittal for an EHP review. The analysis in the PEA document will serve as the EHP documentation for those certain types of projects; therefore grantees will not need to provide further EHP documentation for those projects. GDA has developed an EHP review process to streamline the review period for all projects not covered by the PEA. These projects will be triaged to determine whether an environmental assessment is required. If a further review reveals that a project can be categorically excluded, that action is quickly taken so that funds for the project can be released. As is current policy, projects requiring an environmental assessment will be sent to the applicable FEMA Region for action. The GDA EHP program continues to provide outreach and education to grantees to explain the EHP process and regularly receives feedback on ways to make it as grantee-friendly as possible.

Question 4. Please describe which FEMA grants support continuity of government operations and how that support is generally carried out at the State and local level with FEMA's grants.

Answer. Several FEMA/GPD preparedness grant programs, including the Homeland Security Grant Program (HSGP) and its associated sub-programs support continuity of government (COG) operations. COG activities are also supported under the Emergency Management Performance Grants (EMPG). Activities undertaken at the State and local level utilizing HSGP and EMPG funding include developing/refining COG plans and procedures, executing tabletop and functional exercises to test COG plans, providing communications equipment to essential Government personnel, renovating facilities to act as alternate Emergency Operations Centers

(EOC), and, in the case of HSGP, target hardening of critical Government infrastructure.

Question 5. Please provide the current number of vacant permanent full-time positions within the Grants Program Directorate at headquarters and discuss how many full-time filled and vacant positions will be moved to the Regions.

Answer. The Grant Programs Directorate currently has 34 vacant permanent full-time positions. The vacant positions have all been advertised through USAJobs, lists of qualified applicants have been compiled and reviewed and interviews with candidates have been or are being scheduled. As of July 2, 13 job offers have been made and accepted. These individuals are all currently in the FEMA security clearance process. GPD envisions this first round to on-board no later than pay period 18 (August 29, 2010).

GPD has supported the enhancement of FEMA's regions by transferring six vacant positions to regions. As part of enhancing the FEMA regions, FEMA has also convened a working group to determine which portions of the grant life cycle will be moved to the regions, which will remain at headquarters and which will be shared with the regional offices. This working group is expected to provide recommendations to FEMA leadership by the end of September. FEMA leadership approval is expected by the end of September. Once FEMA leadership approval is obtained, an implementation plan including personnel resources will be developed during early fiscal year 2011.

Question 6. At the hearing, Chief Patalano, Ms. Tierney, and Ms. Richards, offered several recommendations to FEMA and Congress for improving the management of the homeland security grant program, including:

Lifting the statutory 3 percent limit on the amount of grant funding a recipient can retain for management and administrative purposes to 5 percent;

Coordinating the development of State and local grant guidance between the Department of Homeland Security, Department of Justice, and the Department of Health and Human Services in order to ensure the Federal preparedness grants are not duplicative or working at cross-purposes;

Developing a more manageable process for completing Environmental and Historic Preservation reviews for preparedness and critical infrastructure grant programs;

Providing more flexibility to grantees to use grant funds to support multi-year homeland security projects;

Permitting grantees to use a greater share of their homeland security grants for personnel; and

Developing memorandums of understanding that describe the roles and responsibilities of each DHS-component in the grant-making process.

What are FEMA's views on these recommendations and what steps has FEMA taken, if any, to implement these recommendations?

Answer. Below is an update on the steps that FEMA has taken to implement the recommendations that were offered during the hearing:

1. Lifting the statutory 3 percent limit on the amount of grant funding a recipient can retain for management and administrative purposes to 5 percent.—This change was adopted in many of the GPD grant programs for fiscal year 2010. Almost all of the fiscal year 2010 preparedness grant program Guidance and Application kits include a provision that allows for grantees and their sub-grantees to utilize up to 5 percent of their award for management and administrative (M01&A) costs. These programs include: HSGP, NSGP, RCPGP, DLSGP, THSGP, IECGP, EOC, TSGP, IPR, FRSGP, and IBSGP. Others allow for 5 percent M&A at the grantee level and 3 percent at the sub-grantee level. These include: EMPG and PSGP. BZPP allows for 5% M&A at the grantee level.

2. Coordinating the development of State and local grant guidance between the Department of Homeland Security, Department of Justice, and the Department of Health and Human Services in order to ensure the Federal preparedness grants are not duplicative or working at cross-purposes.—DHS and HHS co-chair a grants coordinating committee representing 20 agency offices with health and medical preparedness grant programs. This committee meets monthly by conference call and twice yearly in person. Committee activities can lead to identifying and avoiding overlaps in funding, to assisting grantees, and to leveraging and coordinating our various programs. Representatives from FEMA have also started meeting regularly with DOJ to coordinate the law enforcement aspect of programs such as the Homeland Security Grant Program (HSGP) and Community Oriented Policing Services (COPS) Grants & Office of Justice Program's Edward Byrne Memorial Justice Assistance Grant Program.

3. Developing a more manageable process for completing Environmental and Historic Preservation reviews for preparedness and critical infrastructure grant

programs.—GPD's Grant Development and Administration Division (GD&A) has recently finalized the GPD Programmatic Environmental Assessment (PEA), which has resulted in a Finding of No Significant Impact (FONSI) for certain grant activities under all Programs administered by GD&A. The FONSI will reduce the number of projects that require an information submittal for an EHP review. The analysis in the PEA document will serve as the EHP documentation for those certain types of projects; therefore grantees will not need to provide further EHP documentation for those projects. GDA has developed an EHP review process to streamline the review period for all projects not covered by the PEA. These projects will be triaged to determine whether an environmental assessment is required. If a further review reveals that a project can be categorically excluded, that action is quickly taken so that funds for the project can be released. As is current policy, projects requiring an environmental assessment will be sent to the applicable FEMA Region for action. The GDA EHP program continues to provide outreach and education to grantees to explain the EHP process and regularly receives feedback on ways to make it as grantee-friendly as possible.

4. Providing more flexibility to grantees to use grant funds to support multi-year homeland security projects.—FEMA/GPD encourages the use of preparedness grant funding to support multi-year homeland security projects, and program funding is allowable over multiple years in most cases.

5. Permitting grantees to use a greater share of their homeland security grants for personnel.—The Personnel Reimbursement for Intelligence Cooperation and Enhancement (PRICE) of Homeland Security Act (Public Law 110-412) directed FEMA/GPD to allow for up to 50 percent of grant funding to be used for personnel costs. FEMA/GPD responded by including this provision in all grant guidance kits that include personnel costs as one of the allowable costs.

6. Memorandums of understanding that describe the roles and responsibilities of each DHS-component in the grant-making process.—MOA's are in place between FEMA-GPD and the Office of Infrastructure Protection for the Buffer Zone Protection Program and FEMA-GPD and Office of Environmental and Historical Preservation to coordinate the implementation of requirements under the National Environmental Policy Act. Further, an MOU between FEMA GPD and DHS's Screening Coordination Office is being considered for the REAL ID and the Driver's License Security Grant Programs. The MOA's detail the roles and responsibilities of the various offices to maintain effective communication and collaboration for complete and successful development and implementation of the various grant programs. Under the Agreements, FEMA-GPD retains its primary responsibility for grant program development and administration, and the other offices retain their primary responsibility for subject matter expertise, policy development, program implementation and strategic oversight. We are in the process of developing MOA's with other organizations.

QUESTIONS FROM CHAIRWOMAN LAURA RICHARDSON OF CALIFORNIA FOR ANNE L. RICHARDS

Question 1. The 9/11 Act directs the Inspector General to annually complete audits of individual States' management of the Homeland Security Grant Program. Has the Office of the Inspector General been able to identify any common challenges with grant management that multiple States are struggling with, particularly the process for drawing down funds? If so, what are your recommendations to FEMA for addressing those challenges? Did rural States or States with large populations of volunteer first responders encounter different or more complex challenges managing grants than States with more urban areas or paid professionals?

Answer. The 12 States and 1 urban area we audited in 2008 and 2009 generally did an efficient and effective job of administering the grant management program requirements, distributing grant funds, and ensuring that all of the available funds were used. However, we identified common challenges and made recommendations to improve grants management functions, with most States facing challenges in controls over equipment and property, monitoring and oversight activities, and planning activities such as establishing measurable program goals and objectives. Other more localized challenges included questioned costs, complying with Federal procurement practices, and financial planning, reporting, and support.

Our completed audits did not identify challenges regarding the drawdown of funds, or any differences in the complexity of challenges between rural States and States with more urban areas. Challenges and recommendations included:

Equipment and Property.—Our audit reports identified equipment and property weaknesses and included recommendations to strengthen property controls within the homeland security grant management programs. Some examples include:

- Unauthorized expenditures were charged to Federal funds because the agency did not sufficiently review the acquired items to ensure compliance with grant terms.
- The State did not establish policies for controlling centrally purchased equipment distributed to local jurisdictions, resulting in a lack of equipment accountability.
- The State did not ensure that subgrantees established and maintained effective control and accountability systems.

Monitoring and Oversight Practices.—Monitoring and oversight weaknesses were cited in most State audit reports, resulting in recommendations to improve the States' monitoring and oversight of grant programs and processes. The reports noted that several States have implemented proactive measures to improve their monitoring and oversight processes, including developing policies, procedures, and program monitoring guidance; performing equipment reviews; and preparing a formal subgrantee guide for site monitoring efforts. Noted weaknesses included:

- States' emergency management organizational structures did not change with the addition of new homeland security grant responsibilities, resulting in monitoring and oversight weaknesses.
- Lack of written plans to monitor financial or programmatic performance against strategic goals, and therefore had insufficient assurance that program goals were being achieved or that grant funds were being properly expended.
- Infrequent monitoring and site visits to subgrantees.
- Monitoring generally did not cover programmatic issues, only financial issues.

Measurable Program Goals and Objectives.—A common challenge was for States to establish specific, measurable program goals and objectives linking the State's strategy and subgrantees' use of grant funds to acquire equipment, training, and exercises. Our audit reports included recommendations to improve grant management procedures, demonstrate progress in achieving goals and objectives, and measure improvements in local jurisdictions' capabilities in terms of equipment, training, and exercises. Without measurable goals and objectives, the States: (1) Could not adequately evaluate the relative impacts that grant funds had on first responders' ability to respond to terrorist attacks or natural disasters, (2) lacked important tools for allocating grant funds and providing oversight to subgrantees, and (3) were unable to assess first responder capabilities or justify continued grants.

Questioned Costs.—Our audit reports identified over \$3.5 million in questioned costs, and made recommendations to resolve or recover the expenditures. Examples included:

- Ineligible costs (unauthorized equipment, unauthorized purpose).
- Equipment used for unauthorized purposes, or not being utilized or maintained as intended.
- Unapproved transfers and commingling of grant funds.
- Accrued interest earned on grant funds not remitted to the Federal Government.
- Lack of supporting documentation.

Federal Procurement Practices.—States did not ensure that Federal procurement regulations were followed at the subgrantee level, resulting in recommendations to establish and implement procedures to ensure Federal requirements are followed by grant recipients. Specific examples include:

- Required cost analyses not performed for noncompetitive procurements contracts.
- State not notified of noncompetitive procurements, as required prior to awarding the contracts.
- Contract awarded to the firm that developed the specifications for the contract, creating an organizational conflict of interest and undermining full and open competition.

Financial Planning, Reporting, and Support.—The State audit reports identified areas where financial planning and reporting controls were not properly implemented. States have already taken actions to implement the recommendations and improve their processes.

Question 2. Since the inception of the Homeland Security Grant Program (HSGP) following 9/11, grantees have been challenged to quickly spend—or “drawdown”—their grant awards. What steps could FEMA and States take to expend their HSGP grant awards in a more expeditious manner?

Answer. While FEMA has taken steps to permit States to expend their Homeland Security Grant Program funds more expeditiously, other actions are needed to

streamline the grant review and approval process in order for grantees and subgrantees to receive their funds in a timely manner.

In 2005, FEMA incorporated the application process of four complementary grant programs into the Homeland Security Grant Program:

- State Homeland Security Program;
- Urban Areas Security Initiative;
- Citizen Corps Program;
- Metropolitan Medical Response System.

In 2010, the Operation Stonegarden program was added to the Homeland Security Grant Program. While the grant programs retained their distinct and separate identities, the Homeland Security Grant Program provides a single application kit and program guidance to facilitate coordination and management of State and local homeland security funding. This also helps ensure that available funding is leveraged for maximum impact.

Our March 2010 report titled “Efficacy of DHS Grant Programs,” identified areas where improvements are needed to improve the effectiveness and efficiency of all of FEMA’s preparedness grant programs, specifically involving application timelines, application submission requirements, and application review panels.

Existing Grant Application Timelines Are Not Arranged Optimally.—Grant timelines do not promote the most efficient application preparation and review because they are not arranged in the most optimal sequence. In many cases, the timelines are legislatively established and do not allow States the opportunity to logically develop investment justifications that address overarching needs or define target capabilities while simultaneously focusing on more narrowly focused programs. Although the scopes of these programs may overlap, we did not identify a consistent pattern in the current sequence that would allow States to develop investment justifications for similar programs or related projects in a logical and efficient order.

Inconsistent or Redundant Grant Application Requirements Preclude Efficient Planning.—FEMA issues separate annual guidance to outline the application processes and requirements for each grant program which creates burdensome requirements on both FEMA and grantees as the requirements differ across grant programs. Requirements in grant guidance vary across programs, regardless of the similarities of the grant program, making it difficult for States to have a streamlined planning process that is consistent across all grant programs. Grant programs have different investment justification templates as part of the application process. This requires applicants to prepare investment justifications or documents with unique information for each program regardless of the similarities of the proposed funding activities. These varied templates and program documents may provide consistency for panels reviewing proposed project proposals for the individual grant programs, but present an administrative burden for grant applicants who must prepare similar information in different formats.

Review Panels Differ Across Grant Programs.—Grant programs have separate review processes to evaluate funding requests for each grant program, which requires FEMA to convene multiple review panels to evaluate applications and investment justifications. For all programs, FEMA verifies the applicant’s compliance with administrative and eligibility criteria identified in each grant program’s application kit. FEMA then sends the eligible applications through an investment justification review process to evaluate the merits of proposed investments against grant guidance criteria. However, FEMA uses various types of reviews to evaluate proposed investments, depending on the grant program, and include Federal, State, and local government personnel; emergency responders; and members of National associations on the review panels. These numerous panels create additional work for FEMA to request review panel members from Federal, State, and local organizations, depending on the grant program. FEMA must also train the numerous panels, provide review materials, oversee the panels, and compile panel results. Consolidating panels where grant programs have similar purposes or activities would provide a more efficient use of Federal, State, and local resources.

